

## Haig Calls the Polish Crisis A Test of West's Credibility



U.S. Secretary of State Alexander M. Haig Jr. listening to a reporter's question on Tuesday after making a policy speech.

By Bernard Gwertzman

**BRUSSELS** — U.S. Secretary of State Alexander M. Haig Jr. said Tuesday that the Polish crisis had produced "a test case" challenging the credibility of the West's previous warnings to the Soviet Union not to intervene in Poland's affairs.

"For well over a year, the alliance has stated that there would be serious consequences if the Soviet Union intervened to reverse an entirely peaceful dialogue in Poland," Mr. Haig said in a speech here.

"Soviet responsibility for present events is clear," he said. "A Western failure to act would not only assist the repression of the Polish people but also diminish confidence about our reactions to future events in Poland and elsewhere."

In the Reagan administration's lengthiest and most polemic remarks to date on the crackdown in Poland, Mr. Haig seemed intent on maintaining the sense of Western momentum created by the statement issued at the conclusion of the emergency NATO meeting held here on Monday. That statement condemned the Russians and warned of European sanctions against Moscow.

"The Soviets must know that there can be negative or positive consequences, depending on their conduct," Mr. Haig said in his remarks at the International Press Center in Brussels. "Poland is a test case, and European history teaches that the greatest mistake in dealing with heavily armed aggressors is to ignore their violations of international agreements and to act as though nothing had happened."

He was apparently referring to the failure of the West to react to Nazi Germany's moves in Europe before the outbreak of World War II.

Throughout the Polish crisis, the Reagan administration has taken the position that it had to assume the leadership of the West, to galvanize other states in responding to the imposition of martial law, and in particular to the Soviet involvement in the crisis.

Mr. Haig's speech on Tuesday was evidently intended to be a sort of rallying cry for Western countries and was being called "an important statement" by Mr. Haig's aides, although there were no new policy formulations in it.

"Beyond the fate of Poland, beyond East-West relations, we must ultimately ask ourselves what these developments mean for our self-respect if we do not respond together," he said. "The West is often accused of being merely a collection of consumer societies. Are we so sated or intimidated that we fear to defend the values that make life worth living?"

He said that the Polish crackdown "should remind us that in the battle for the minds of men, the best arguments are to be found on our side."

"The existence of successful industrial democracies in the West is a striking rebuke to Soviet-style Communism," Mr. Haig said. "Our persistent progress, even with all of our faults, means that the Soviet system is neither necessary nor inevitable. After all, the Polish people sought nothing more than free association, the dignity of labor, and respect for the individual — rights that we in the West sometimes take for granted."

He criticized those in the West who, he said, "apply different standards to the behavior of the East and the West." He added, "No matter how much Communist repression, no matter how many

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TALKS RESUME — Paul H. Nitze, left, the leader of the U.S. delegation in negotiations on reducing nuclear missiles in Europe, and Yuli A. Kvitsinsky, the Soviet negotiator, arrived Tuesday in Geneva for a new round of discussions following a holiday recess. Story, Page 2.

## Solidarity Goes on Trial in Warsaw

### Unionists Defend Actions in Charged Court Atmosphere

By John Darnton

**WARSAW** — Room 224 of the Warsaw courthouse was packed Monday with people sitting in the aisles and on the windowsills when the defense attorney began his summation.

In the dock were three workers, charged with instigating a strike at the giant Huta Warszawa steel mill shortly after martial law was declared Dec. 13. How, demanded the attorney, could workers be punished for breaking a law against striking that had only just been proclaimed and that they were not familiar with? The history of Poland, he said, was the story of one war after another — a reference to the constitutional "state of war" that provided legal ground for martial law. Depriving people of their human rights was in some respects worse than war, he asserted as the crowd began to cheer.

The judge, Andrzej Lewandowski, ordered the courtroom doors closed, to silence the people in the corridor.

The prosecutor had asked for sentences ranging from four to seven years. One by one the defendants stood to deliver their final words in their own defense.

"The purpose of my action was to defend the workers of Huta Warszawa from death," said Karol Szadzinski, a Solidarity leader at the mill.

"It was my duty to live with workers through everything and to try to avoid a repetition of the kill-

ings in Gdansk in 1970," said Leszek Sokolowski, another of the defendants.

"The charges are baseless," said Jack Lipinski. "I wanted to stay with the workers until the end."

The Warsaw courthouse is a gray, squat building that sits on a major thoroughfare. Only 14 months ago it was the scene of jubilation when Lech Walesa and other Solidarity leaders won a long battle to register their union.

Now, the courthouse is presenting a different drama. Every day scores of former union activists and sympathizers talk their way past police guards to get into the trial. When the prosecutor begins to read out the indictment, it is like watching Solidarity being dismembered piece by piece.

The trials are part of a huge number of court cases taking place all across the country. Under martial-law procedures of "summary justice," the cases are heard quickly, usually in less than a week, and the sentences for organizing strikes are severe, usually between three and seven years in prison. There is no appeal, unless the presiding judge decides otherwise.

Over the past week, there have been four trials in the Warsaw courthouse. Three of them involved Solidarity activists at three of the major factories in the capital — the FSO car plant, the Huta Warszawa steel mill and the Ursus tractor factory.

The fourth is a major showcase trial of Maciej Szczepanski, former chairman of the radio and televi-

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Maciej Szczepanski, the former broadcasting chief, at left in glasses, and his co-defendants — from left, Eugeniusz Patyk, Zbigniew Liszyk and Jerzy Hanbowski — sit with soldiers in court.

## Pole Cites Hope For Feb. 1 End To Martial Law

From Agency Dispatches

**WARSAW** — Deputy Premier Jerzy Ozdowski said Tuesday that the authorities "would like to end" martial law by Feb. 1.

However, Mr. Ozdowski said there was no timetable for ending the state of emergency, which was declared Dec. 13. He said this would depend on the situation.

In the past month, Premier Wojciech Jaruzelski and other officials have pledged that martial law would last not "a moment longer than necessary."

Mr. Ozdowski spoke at a news conference for foreign journalists. Jerzy Urban, a government spokesman, told the correspondents that the Polish authorities would like to include Lech Walesa, the leader of Solidarity, in future agreements on trade unions.

Union Activity Banned

Although Mr. Walesa's future is "unknown," Mr. Urban said, "he is such a personality that a place will be found for him in future agreements."

Mr. Urban's hint at moderation was tempered by a statement making plain that union activity had been banned from government institutions and ministries. He admitted that some persons had left their posts after the authorities had dissolved union locals in such institutions.

"About 1 percent of the high officials will quit and most of them are quitting as they do not want to continue working on the principles outlined to them," Mr. Urban said.

"We demand loyalty to the state," Both Mr. Urban and Mr. Ozdowski refused to say where Mr. Walesa has been held since the martial-law crackdown, which has led to the internment of more than 5,000 Solidarity activists.

Several hundred have been sentenced by martial-law courts. Mr. Walesa is believed to have been held under house arrest near Warsaw.

Mr. Urban said talks had begun with "activists" of the independent union, but not with Solidarity as a whole. He also refused to name those said to be negotiating with the authorities.

Meanwhile, a senior Communist Party official has called for a ma-

ior purge in both the party and trade unions in order to remove what he described as the danger to Socialism in Poland.

Jerzy Urbanski, head of the party's control commission, said that the party should use the period of martial law to strengthen itself both ideologically and politically. His remarks, which included a demand for the formation of a "renewed trade union movement" purged of anti-Socialists, were reported in Tuesday's issue of the party newspaper, Trybuna Ludu.

Party membership is already believed to have fallen sharply following the declaration of martial law. According to some estimates, membership has dropped from more than 3 million to less than 2 million.

In his speech, Mr. Urbanski said that the speed with which Poland emerged from its political and economic crisis depended on the "ideological uniformity" of the party and its ability to regain the trust of the population.

"No other body can replace the party," he added in an apparent attempt to squelch suggestions that the Military Council for National Salvation may be unwilling to give up power readily.

Private Farmers Assailed

In other developments Tuesday, the official media assailed private farmers in an apparent effort to split them from workers and isolate leaders of the now-suspended farmers' union, Rural Solidarity.

The party daily Trybuna Ludu said that farmers had contributed to the deterioration of the nation's food supplies over the past few months.

In another article, Trybuna Ludu assailed Andrzej Wajda, a prize-winning film director, for advocating "extremist tendencies in Solidarity." It was the first reported official criticism of Mr. Wajda, who won international attention with the films "Man of Marble" and "Man of Iron," which dealt with the birth of Solidarity and other issues of recent Polish history.

Some Western news reports suggested he may have been under intellectual internment under martial law.

## Reagan Seems Willing To Ask Tax Increases

By Lee Lescaze and John M. Berry

Washington Post Service

**WASHINGTON** — President Reagan is "facing reality" and appears more willing than before to propose tax increases to help reduce the 1983 budget deficit, House Republican leader Robert H. Michel of Illinois said after meeting with the president.

Rep. Michel said Monday that the president made clear he would rather stand firm against any tax increases, but "I think he's just facing reality."

Mr. Reagan is nearing a final decision on his 1983 budget with all his top advisers urging some tax increases in order to hold down a deficit that experts say could otherwise be around \$100 billion. The president has not made his final decision, Rep. Michel said.

He said a deficit as large as \$90 billion would be difficult for Congress to swallow. "Any deficit over \$75 billion or \$80 billion presents a problem to the Congress," he said. But the House GOP leader said he was not happy with the consumer tax increases on alcohol, tobacco and gasoline the administration reportedly has under study. "The average working man has to pay these every day," Rep. Michel said, adding that any such taxes should be accompanied by new taxes on "luxury" items.

"Worst-Case Scenario"

An aide to Mr. Michel said that the Republican leader used the number \$90 billion "as a worst-case scenario" because he had been assured by Office of Management and Budget Director David A. Stockman that the deficit would not reach three figures.

At Rep. Michel's most recent meeting with Mr. Stockman and presidential advisers Thursday, the administration officials provided no numbers, "Stockman just backed off when he was asked for numbers," the aide said. "They were open for suggestions. They seemed to be all ears," he added.

Mr. Reagan and his advisers followed the same pattern Monday, offering no numbers and mostly listening as the Republican leaders debated tax increases and suggestions to cut military spending.

"Some of us felt the defense budget should be cut," said Rep. Silvio O. Conte, Republican of Massachusetts. Mr. Reagan disagreed, Rep. Conte added. He

is reportedly preparing to propose a 15-percent increase in military spending. Rep. Conte said that the members of Congress were not agreed among themselves on what course to follow.

Rep. Barber B. Conable Jr., Republican of New York, the ranking member of the House Ways and Means Committee, agreed, saying: "All the things you do or don't do are unpleasant, so everyone told him [Mr. Reagan] not to do different things." Mr. Michel balked at taxes on beer and tobacco that would hurt the working man in Peoria, Rep. Delbert L. Latta, Republican of Ohio, opposed deregulation of natural gas while Rep. Jack Kemp, Republican of New York, opposed all tax increases, Rep. Conable added.

"You feel as if you're ploughing in the sea" with all the different positions, he said, and Mr. Reagan "nodding and smiling" at them all. However, the members of Congress agreed that the president "shouldn't try to raise taxes unless he does it enough to make a difference," Rep. Conable said. The president and the GOP leaders are agreed that the basic personal and business tax cuts passed last summer should not be altered.

Rep. Kemp predicted that Mr. Reagan would reject recommendations that he increase taxes. "There will be 11 ayes and one no and Reagan will announce the noes have it," Rep. Kemp said.

He said the way to help the

(Continued on Page 2, Col. 8)

## China Assails U.S. Plan For More Taiwan Jets

By Michael Weisskopf

Washington Post Service

**PEKING** — China said Tuesday that it strongly objected to U.S. plans to continue jet fighter sales to Taiwan and warned that it "will never accept any unilateral" decision by Washington "to arm the estranged island."

The Chinese Foreign Ministry said that U.S. weapons sales to Taiwan raise "a major issue affecting China's sovereignty" that can only be resolved through negotiations between China and Taiwan.

Taiwan said Tuesday it took exception to the U.S. decision, announced Monday, not to sell it more advanced military aircraft and maintained that Peking still intended to subjugate the island by force. Reuters reported from Taipei.

Diplomatic analysts said the Peking statement, while critical of Washington, reflected a willingness to continue talks with U.S. Assistant Secretary of State John H. Holdridge, who completed his second day here Tuesday.

Analysts cautioned, however, that Peking seems uncompromising in its demand for a U.S. agreement, at least in principle, to cut off all weapons supplies to Taiwan within a certain period of time.

The Chinese Foreign Ministry statement was the first formal response since the U.S. State Department confirmed Monday reports of the two-pronged decision to continue sales of F-5E planes to Taiwan but refrain from sales of more advanced fighters.

The brief Foreign Ministry statement gave no indication that Chinese leaders were at all assuaged by the Reagan administration's rejection of Taiwan's request for a more advanced fighter.

Mr. Holdridge is believed to be seeking Chinese toleration of continued F-5E sales to Taiwan in return for Washington's agreement to forswear sales of more sophisticated military aircraft.

China publicly demands an immediate cutoff of all weapons sales to Taiwan, but Chinese officials privately have hinted that Peking would tolerate the current level of arms transfers if Washington sets a time and quantity limit on them.

China opposes U.S. weapons sales to Taiwan on grounds that

the island is a Chinese province, despite its 32-year separation from the mainland. Any military sale, say the Chinese, is an interference in Chinese domestic affairs.

Peking's demands on Washington have escalated since October, when Chinese leaders stepped up

The Pentagon may end up with the Northrop planes whose sale to Taiwan was blocked. Page 3.

their campaign to win back Taiwan through peaceful means — a strategy they say is obstructed by continued U.S. arms sales. It remains unclear whether the Chinese Foreign Ministry officially lodged a protest with the U.S. government. The official Chinese press said the statement came in reply to a reporter's question.

"The U.S. government has announced its decision to sell air planes to Taiwan at a time when bilateral talks are going on," the statement said. "The Chinese government hereby lodges a strong protest against this."

U.S. and Chinese spokesmen refused to comment when asked if a protest had been lodged with U.S. officials here.

Taiwan Renews Plea

**TAIPEI** (Reuters) — A spokesman for the Taiwan Foreign Ministry said Tuesday the Nationalist government took exception to the conclusion made by U.S. agencies that Taiwan's needs could be met for the foreseeable future by replacing its aging planes with comparable aircraft.

The spokesman, Liu Ta-Jen, said that Peking had not changed an intention to subjugate Taiwan by force and added: "We earnestly hope that the U.S. will understand this situation and provide us with defensive weapons in accordance with the Taiwan Relations Act so as to enable us to keep sufficient military capability to defend ourselves at present as well as in the future."

Nationalist officials have argued that more advanced fighters are essential in guarding the Taiwan Straits against possible invasion.

The spokesman added that the proposal to extend the F-5E coproduction line would be helpful in strengthening defensive capability.

## Opposition to Economic Reform Plans Could Split Chinese Leadership

Premier's Policy of Moderate Growth and Decentralization Strongly Attacked by Central Planning Advocates

By Michael Parks

Los Angeles Times Service

**PEKING** — A wide-ranging debate over China's strategy for economic development appears to be splitting the country's leadership on some crucial issues, and Chinese sources warn that this could quickly turn into a political power struggle.

Premier Zhao Ziyang's program for moderate growth and restructuring of the economy over the next eight years has come under strong attack from those who want a more ambitious development program with faster growth based on big new industrial complexes.

Mr. Zhao's plans for a total reorganization of the country's 370,000 industrial enterprises, a breakup of the massive bureaucracy that runs the economy, and increasing reliance on market forces and economic incentives rather than central planning are also encountering opposition from those who want improvement in the present system but no fundamental change.

Another issue involves recent moves toward greater industrial democracy — workers' congresses, election of major policy issues at the enterprises and individual factory officials, growth of collectively and individually owned workshops, gradual decentralization of economic power — that Mr. Zhao has promoted to balance the economic reforms politically.

As Mr. Zhao presses his program, laid out last month at the annual meeting of the National People's Congress, China's parliament, the opposition from vested interests is growing and has now broken into the open.

Articles attacking "some comrades" for their "erroneous ideas" have moved from economic journals into the People's Daily and other leading newspapers. Discussions at a series of political and economic conferences have been officially described as "spiked and frank." Informed Chinese officials acknowledge that "they are fighting."

Aligned against the 63-year-old premier are some of the most powerful forces in China — the central ministries, which he is planning to trim sharply starting this month; heavy industry, which is losing its economic primacy; the so-called petroleum faction, which advocates faster growth through big new projects, particularly in the oil, chemical and metallurgical industries; and a group of neo-orthodox economists, who argue that the reforms stray from Socialism.

The embattled Mr. Zhao appears to have received little support in this fight from Deng Xiaoping, the powerful party deputy chairman and the premier's political patron. Mr. Deng himself may be contending again with opposition to his policies within the top leadership.

Crucial Months

The next two or three months will likely prove to be crucial for both men, according to informed Chinese political observers, as Mr. Zhao presses his economic reforms and Mr. Deng deals with the task of reshaping the party, and its policies as a whole, before a scheduled party congress next autumn.

"They are fighting about the future of the country when you appreciate the issues involved," a party representative in Hong Kong said here on a recent visit.

"What direction will the economy take? What will the character of Chinese Socialism be? And, of course, who will be in charge?"

Critics attack the projected rate of growth in Mr. Zhao's reform project — 4 percent in industry this year and probably through 1985 — as too slow. Moreover, the retrenchment in heavy industry will dismantle much of what has been built up in the last three decades under Socialism and will result in the layoff of millions of workers, they say.

Faster Growth Proposed

As an alternative, they are proposing faster rates of growth with more ambitious targets than Mr. Zhao put forward. Overall growth of 10 percent a year is mentioned frequently, Chinese sources said. Heavy industry would regain its old dominant role as a pace-setter rather than become simply a supplier to light industry, agriculture and the consumer market.

A relatively high rate of reinvestment, perhaps 33 percent of national income rather than the current 30 percent, would be maintained to finance new projects. Chinese workers would be called upon under this scheme to demonstrate their "revolutionary spirit of hard work and self-sacrifice," and to remain patient in waiting for an improvement in their wages and living standards.

But the party's theoretical journal, Red Flag, evidently under the control of reformers within the leadership, came to Mr. Zhao's defense with an editorial and three articles in its first issue of the year last week. The 10 points that Mr. Zhao outlined as the basic principles for China's development must be carefully studied, the commentary said. Remaining

"leftist mistakes" in economic policy must be cleared up, it added.

Ma Hong, director of the Institute of Industrial Economics and a vice president of the Chinese Academy of Social Sciences, also defended Mr. Zhao's program. Citing energy shortages, transportation problems and the need for economic reforms, he wrote in the People's Daily newspaper: "We cannot expect a very high speed [in economic development]."

Mr. Zhao's program, called the "economic responsibility system," has made higher living standards a new priority, reduced the rate of reinvestment, allocated greater resources to the manufacture of consumer products and reduced administrative controls. This gives industrial and commercial enterprises greater operating authority and uses market forces, profits and worker incentives to stimulate production. In the long run, it should also lead to a decentralization of economic power and, liberal economists contend, greater vitality.

But critics believe it could bring many problems in the short term, with enterprises often violating national policies as they pursue their own interests. If continued, it may even mean an end to Socialism in China, some of them contend.

Mr. Zhao's principles for long-term development provoked so much controversy at the National People's Congress that the party leadership postponed plans for a top-level conference last month to make them national policy.

"They have had to retreat a bit and consolidate thinking," a Chinese source said of Mr. Zhao and Mr. Deng. "The conflicts are too sharp and unresolved to proceed for a month or two, anyway."

## INSIDE

### Afghan Guerrilla

Mallam Abdul Shukur was, until one morning in October, a very important man in the hilltop headquarters of the major guerrilla organization fighting in Paktia Province on the Pakistan border. Then things changed. Page 4.

### U.S. Spending

In the United States, only a few of the 39 state legislatures convening this month are expected to alleviate the effects of reductions in federal spending for social welfare programs. Page 3.



## Poland, Russia Reject West's Criticism, Claim 'Gross Interference'

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet Union and Poland on Tuesday rejected criticism by NATO foreign ministers, issuing a joint communiqué that denounced the United States for deliberately trying to turn Poland "into a seat of tension in Europe."

The document described the NATO meeting in Brussels on Monday as constituting "gross interference" in Polish internal affairs and also dismissed as "hostile" President Reagan's economic sanctions against the Soviet Union. After the Brussels meeting, NATO members announced a suspension of commercial credits to Poland until martial law ends, and they blamed Moscow for the crackdown.

Warsaw Graffiti

It said Poland could, "as before, be certain of the Soviet Union's support" in its efforts to resolve the crisis. It expressed "the conviction" that the Polish government, "with the assistance of its friends and allies, will successfully cope with these difficulties."

### Jenkins Will Seek Glasgow Seat for Centrist Alliance

Reuters

GLASGOW — Roy Jenkins, favored by some to lead Britain's Social Democratic Party, has announced that he will fight to re-enter Parliament in a Glasgow by-election.

The former president of the European Economic Community Commission said Monday he would seek the vacant seat on behalf of the centrist electoral alliance of Social Democrats and Liberals.

Mr. Jenkins, 61, a former Labor Party minister, is the only one of the Social Democratic Party's four leaders and founding members still without a seat in Parliament, which he left five years ago to take the EEC post. The government has not yet set a date for the by-election, which will fill the seat vacated by the death of Sir Thomas Galbraith, 64, a Conservative.

The 10-month-old Social Democratic Party forged an alliance with the Liberals in September, and recent opinion polls have suggested the alliance would sweep to power if a general election were held now. But activists on both sides have recently squabbled over which seats they should be allowed to contest.

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Polish Foreign Minister Jozef Czerwinski, right, was seen off at Moscow's airport Tuesday by Soviet Foreign Minister Andrei A. Gromyko after holding two days of discussions at the Kremlin.

## Polish Workers' Case Shows Summary Justice in Action

(Continued from Page 1)

As Judge Lewandowski rose to pronounce sentence at Monday's trial, the courtroom was silent. He gave a one-and-a-half-year suspended sentence to Mr. Szczęsny, a 40-year-old man charged with accepting bribes from foreign companies, misappropriating public property, forging documents and abusing his authority.

Not many people are interested in the Szczepanski trial. Many regard him as a scapegoat, although they would like to see him punished. There were only a dozen or so people in the spectators' section.

In contrast, the benches at the workers' trials are packed every day. Some in the crowd wear Solidarity badges, draped with black ribbon as a sign of mourning, or buttons depicting the Black Madonna of Czestochowa, Poland's sacred relic.

The crowd includes relatives of the defendants, fellow workers, students and young activists, intellectuals and actors who have lent their prestige to a church-sponsored effort to bring relief to detainees. A smattering of persons take notes, perhaps for publication in an underground leaflet, perhaps just for history. Some raise their right hands in a V-for-victory sign as the defendants are led in.

A common line in the defense at the three trials is that the accused did not organize strikes but were simply present when workers spontaneously gathered in large groups in confusion and anger over the martial-law proclamation.

"I felt one thing — the fear was thick and threatening to explode," said Mr. Szczęsny. One of the three defendants in the Huta Warszawa trial. "This was such an exceptional thing, that in so short a time the desires of the workers and their union were just suspended. People were milling about. They didn't know the decrees. Everyone came up to me asking for information."

The judge interrupted his statement numerous times to ask questions. Were strikers' armbands worn? Was there a strike committee? Each time the answer was no.

The defense case gathered strength with the testimony last week of the steel mill manager, Adam Zurek, who said that the Solidarity men on trial had been called for a strike and were doing all they could to keep the situation in hand.

In Warsaw, the courts appear more lenient than elsewhere. In the FSO factory trial, which ended late last week, the four defendants were acquitted. In Katowice, workers were sentenced to seven years in prison.

Exactly how many workers' trials are going on is unclear. As of late last week, there were 364 cases involving 565 persons under summary proceedings, but some of these involve ordinary criminal offenses.

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## U.S., Russia Resume Geneva Missile Talks

New York Times Service

GENEVA — The United States and the Soviet Union resumed talks Tuesday on the reduction of European-based intermediate-range nuclear missiles after a one-month holiday recess.

East-West tension has increased since the talks were recessed on Dec. 17, four days after the declaration of martial law in Poland.

NATO foreign ministers warned Monday after a meeting in Brussels that Soviet interference in the Polish crisis could "damage the arms control process." But Alexander M. Haig Jr., the U.S. secretary of state, has stressed the need to pursue the missile talks, saying they constituted a "very special category" in East-West relations.

[But in Moscow, Tass said: "There are good reasons to think that, by artificially whipping up hysteria over the events in Poland, Washington, in particular, is preparing the ground for torpedoing the Soviet-American talks." The Associated Press reported.]

After Paul H. Nitze, the U.S. negotiator in Geneva, greeted Yuri A. Kisitsyn, the Soviet negotiator, at a building that houses the U.S. delegation, the two sides met for two hours and 10 minutes, according to a U.S. announcement.

No other details were released on the meeting, the seventh session since the start of the negotiations last Nov. 30.

The next round of talks is scheduled Friday at the Soviet Mission in Geneva.

U.S. officials have expressed satisfaction with the manner in which the discussions have begun. Just before the recess, Eugene V. Rostow, head of the U.S. Arms Control and Disarmament Agency, described the atmosphere at the talks as "very good" and said that the initial discussions have been "very encouraging" even if the starting positions were "far apart."

President Reagan offered to remove the projected deployment of 572 U.S. Pershing-2 and Cruise missiles in Western Europe in exchange for the dismantling by the Soviet Union of its European-based SS-4, SS-5 and SS-20 missiles.

Soviet President Leonid I. Brezhnev countered with an offer to remove an unspecified number of Soviet medium-range missiles from Europe if the West agreed to an earlier Soviet proposal for a freeze during the Geneva negotiations on the deployment and modernization of weapons of this type.

Mr. Haig, who is to go to Israel on Thursday, said in his arrival statement here that his talks would focus on the autonomy negotiations, but he gave no hint whether he was carrying any new ideas.

He said the governments of four nations of the European Economic Community would soon — perhaps within 48 hours — formally notify Egypt, Israel and the United States of their participation in an international force to patrol the Sinai after the Israeli withdrawal.

He said he had discussed the matter with the foreign ministers of Britain, France, Italy and the Netherlands during the NATO meeting in Brussels on Monday.

The offer by the four countries angered most Arab countries, who saw it as support for the Camp David process, which they reject.

It also irritated Israel because it appeared to be linked with an EEC call for the Palestine Liberation Organization to be associated in the peace process.

In The Hague, a Dutch Foreign Ministry spokesman said the four countries were sending almost identical letters this week.

"The only difference is that we are now giving our views to the Israeli government separately," the spokesman said.

Mr. Haig wants to speed up the stalled negotiations to reach a "declaration of principles" by April 26, the sources said.

Although Prime Minister Menachem Begin of Israel favors the U.S. ideas, Egypt wants an agreement acceptable to the Palestinians and sees the symbolic significance of reaching it by April 26 as less important, the sources said.

Egypt also argues that Alfred L. Atherton Jr. and Samuel W. Lewis, the U.S. ambassadors to Egypt and Israel, respectively, who now represent Washington at the talks, are well informed about the situation and that a new envoy would need time to acquaint himself, the sources said.

However, the sources said Egypt would agree to the U.S. plans if Mr. Haig insisted.

The negotiations, which opened in May 1979, and resumed in September after a 16-month freeze, aim at establishing an autonomous council for the 1.2 million Arabs in the occupied West Bank and Gaza Strip.

In a question-and-answer period, Mr. Haig virtually exploded an anger at a British journalist who suggested that there was a double standard in sharply criticizing the Polish crackdown while not criticizing military rule in Turkey and other pro-Western states.

"It is time that our Western critics stop their double standard," he replied, "and isn't it time to give greater weight to the precious freedoms and values with all their failings and stop this mechanistic testing down of our values?" He said the reporter's question itself "reflects a double standard that boggles my mind."

Japan Not Planning Sanctions  
TOKYO (UPI) — Japan has no immediate plans to impose sanctions on the Soviet Union because of the declaration of martial law in Poland, Foreign Minister Yoshio Sakurazuchi said Tuesday.

Japan is studying the developments and would consult with its allies before taking any action, he said after a Cabinet meeting. He said the NATO meeting in Brussels on Monday helped strengthen unity among the members of the Western alliance on the Polish issue.

Air Strike Ends in Athens  
ATHENS — Ground personnel of foreign airlines on Monday ended a 10-day strike that had severely disrupted flights in and out of Greece. A spokesman for the airline workers' union said that most of the demands for higher wages had been met. The ground crews of foreign airlines had sought wage scales equal to those of Olympic Airways, Greece's national airline.

## WORLD NEWS BRIEFS

### Reagan Retreats in Racial-Bias Case

The Associated Press

WASHINGTON — President Reagan, in an action spurred by the protests of the leading blacks in his administration, announced Tuesday that he would seek legislation to deny tax-exempt status to private schools and colleges that practice racial discrimination.

The legislation would override the administration's decision last week reversing a 12-year-old federal policy denying tax exemptions to nonprofit institutions that discriminate on the basis of race.

In a statement issued following a Cabinet meeting, Mr. Reagan said he remains "unwaveringly opposed to racial discrimination in any form." He said the sole reason for the decision announced by the Treasury Department on Friday was the conviction that government agencies should follow the will of Congress and "cannot be allowed to govern by administrative fiat." He added, "I regret that there has been a misunderstanding of the purpose of the decision."

### Iranian Minister Wounded in Tehran

Reuters

LONDON — Hojatoleslam Hassan Mofared, the Iranian deputy minister of industries and mines, was wounded by gunmen in central Tehran Monday, local newspapers reported Tuesday.

The minister's car was ambushed by gunmen on motorcycles after he had left his office. He was wounded in the shoulder, the papers said. He is the second Muslim clergyman to be wounded by opponents of the regime in his last month. Hojatoleslam Mohammed Khamenei, a member of the Majlis (parliament) and brother of Iranian President Ali Khamenei, was wounded by unidentified gunmen.

### 2 More Red Brigades Suspects Held

United Press International

ROME — Police hunting for kidnapped U.S. Brig. Gen. James L. Dozier arrested two more Red Brigades suspects Tuesday on the basis of information from three of the 10 alleged Red Brigades members arrested over the weekend.

Officers said the new arrests were made at two Red Brigades hideouts in the Rome region. Police would not say who had given the information. Among those arrested last weekend were Giovanni Senzani, 42, a criminology professor believed to be the ideological leader of the Red Brigades in central Italy, and Franca Musi, 28, accused of being a Red Brigades courier who had contacts with the faction that kidnapped Gen. Dozier. Another suspect, Giuseppina Delogio, was also believed to have had contacts last month with the group, police said.

Defense Minister Lello Lagorio told Parliament Monday that the government notified NATO officials in January, August and October of 1981, that information intercepted by police or found in Red Brigades hideouts showed they were planning an assault on a NATO installation or official in Italy. Gen. Dozier, 50, the highest ranking officer at NATO's Verona base, was kidnapped Dec. 17.

### A Ruling Council Is Named in Ghana

The Associated Press

ACCRA, Ghana — Jerry J. Rawlings has named a seven-man Provisional National Defense Council, including a Roman Catholic priest and a radical student leader, to exercise central government authority in Ghana, news reports here said Tuesday.

Mr. Rawlings, a former air force lieutenant who led a Dec. 31 coup against President Hilla Limann, is chairman of the council. Brig. Joseph Nunoo-Mensah, chief of the defense staff, is second in command.

The priest named to the council, the Rev. Dr. Damuah, had been criticized by the Limann government for being too outspoken. The student leader, Chris Burkari Atim, is a friend of Mr. Rawlings. The others named to the council are Joachim Ametey Kwesi, a union leader dismissed by Mr. Limann last year for organizing a strike at the Ghana International Holding Corp., and two air force members, Warrant Officer Joseph Adjaye Buadi and Sgt. Daniel Alogba Akata-Por.

In an announcement, the government has restored diplomatic relations with Libya, the Ghana News Agency reported Monday.

## Egypt's Nubians Return To Traditional Lands

By William E. Farrell

New York Times Service

ABU SIMBEL, Egypt — The man had last seen his Nubian village called Adendan in 1963, just before it and two dozen other centuries-old settlements were submerged by the vast artificial lake created by the construction of the Aswan High Dam.

He pointed to an expanse of blue water girded by silty sand dunes and said: "It was there — the fields, the date palms, the houses with doors opening onto the Nile. All drowned." His voice cracked and he walked away long enough to regain his composure.

A short while later, the man was laughing with relatives at the village of Salama, a new Nubian settlement not far from the mammoth rock temples of Abu Simbel, whose towering statues of Ramses II were painstakingly saved into sections and moved high up on a rock face to save them from inundation by Lake Nasser.

Salama is one of four nascent villages for Nubians who were forced to move more than 160 miles (256 kilometers) to the Aswan area when their village was flooded and who are now returning to an area as close to their original village as possible.

The government is helping them, and many seem pleased. "This is my history," Mohammed Lilab, the leader of Salama's 150 settlers, said. "This is my past and my present — this is our own land."

Mr. Lilab was sitting in a straw lean-to with a dozen or so villagers, sipping midday coffee. Nearby, in fields irrigated by water pumped up from the lake, peanuts, potatoes, beans and other vegetables were sprouting.

There are cows, sheep and chickens. Houses are being built — in the old way, with private courtyards and guest quarters, and air holes high in the walls to catch whatever breeze there is.

Salama was begun two years ago with the cultivation of 10 acres. Now there are 150 acres. The livestock is increasing, and so is the number of settlers. They were dissatisfied with the Aswan setting, particularly with cultivating sugar cane, a notoriously difficult crop to harvest.

Traditional to the Nubian culture are date palms. In the old days, a man's wealth was reckoned by how many he owned, and they figured in marriage ceremonies and were made into colorful mats for household decoration and plates.

Small date palms are sprouting in Salama, and the gathering of men unanimously replied "no" when asked if there were plans to plant sugar cane.

"We wanted to re-establish in our old area," Mr. Lilab said, "because we started losing our culture and our history and the young started forgetting and wanted to move on."

"The United Nations, which restored the temples, should do something to help restore Nubian culture in the area," he said, adding, "We're not forgetting what the government is doing — they're doing their best."

Mr. Lilab stared at the fields and the rocky hills in the distance and commented on a deafening roar overhead. "Mirage," he said, meaning a French-made Egyptian jet fighter and not what is seen by a man lost in the desert.

The man who left Adendan in 1963 went in a small fishing boat across Lake Nasser to the western side of the lake, a trip that took three hours in the pky vessel.

In the old days the Nile could be crossed in a few minutes. On the western side, 35 persons are building houses. Corn, peanuts and watermelon are being grown on 50 acres, and this is expected to become 800 acres within a year. The more acres planted, a villager said, the more settlers will come back to the old area.

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## Drafting of a Speech On 'State of World' Is Authorized by Reagan

By Martin Schram  
Washington Post Service

WASHINGTON — After persistent prodding by his secretary of state, President Reagan has changed his mind and given preliminary approval for the drafting of a "State of the World" speech that would be the first full statement of his year-old administration's foreign policies.

This is not to say that Mr. Reagan, who has often expressed an aversion to such things, has irrevocably committed himself to delivering a sweeping foreign-policy address, presidential advisers stress. But he has now declared that he is interested in seeing what a complete exposition of his administration's policies, as drafted by his top aides, would say.

The idea of a "State of the World" speech has been put before the president and he has indicated an interest in it, a senior presidential adviser said. "I know that State feels it is scheduled. But the White House does not feel it is signed off on it yet. No date has been set. But the president is interested in seeing what such a speech would say."

### Strong Resemblance

If he gives it, it will be in February, after the State of the Union message on Jan. 26. According to several administration officials, it probably will bear a strong resemblance to the speech draft that was originally produced by the State Department — and scrapped by the White House — during preparations for the president's only

other major foreign policy address: his well-received Nov. 18 speech proposing the reduction of nuclear arms based in Europe.

The State Department had sent the White House a draft text for that speech that was far more than just a European arms address, containing sections that outlined U.S. policy for each global region, according to informed sources.

But the president and his White House advisers felt that such a speech would have diffused the major message he wanted to send and might have provoked policy skirmishes within the administration.

The president's speech instead focused solely on reducing nuclear arms in Europe, citing the so-called "zero option" proposal that had been championed in the inner circle by Defense Secretary Caspar W. Weinberger and opposed by Secretary of State Alexander M. Haig Jr.

The favorable reaction to Mr. Reagan's speech in the United States and in Europe, where it was broadcast live via satellite, may have softened his long-standing aversion to delivering an address detailing his foreign-policy views, administration officials say.

Mr. Haig, among others, has long urged that the president deliver a comprehensive address on foreign policy, administration officials say. And last month, the president's advisers presented him with a Haig-backed proposal that he deliver a "State of the World" message.

It is important, these advisers argued, that U.S. allies and adversaries understand what the Reagan administration intends to do and what it will ask of other nations. And to the surprise of some of the officials, the president was receptive to the proposal. Mr. Reagan told his advisers to go ahead with the outlining and planning for such a speech.

Several administration officials voiced concern that the process of shaping a "State of the World" message may touch off new policy struggles as officials seek to put into writing what they have already been putting into practice.

That, they noted, is what happened in fashioning the November speech on European arms, which Mr. Weinberger had strongly pushed.

Mr. Haig opposed the speech as too blunt, contending that it left no room for a fallback position in negotiations.

"In the end, what the president finally proposed was just what we had fought and bled for," a senior Defense Department official said the other day. "But I'm not sure I want to go through that again on policy decisions on the Middle East and every other area."

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United Press International

**HEATED DISSENT** — Burning effigies of Judge Marlon J. Callister and President Reagan were extinguished after being set afire in front of the White House by a group of women demonstrating for the Equal Rights Amendment. The women want Mr. Reagan to seek a Supreme Court review of Judge Callister's U.S. District Court decision against an extension of the ratification deadline for ERA. The demonstrators charged that the judge, a Mormon, was influenced by his church's opposition to the amendment.

## U.S. May Buy Aircraft It Denied to Taiwanese

By George C. Wilson  
Washington Post Service

WASHINGTON — Northrop Corp. has been blocked in selling its F-5G fighter plane to the Taiwanese, but thanks to some friends in the White House, it may already have found another customer closer to home — the Defense Department.

Pentagon sources said Monday that a proposal is under study to buy F-5Gs for use as Soviet MiGs in mock air battles against U.S. planes in training.

A Pentagon executive said White House officials had suggested that the Defense Department see if the Air Force could use the F-5G, a faster and deadlier version of the F-5E jet Northrop has sold in the past to Taiwan and other foreign countries.

Northrop is based in California, and the defense official said a number of Californians at the White House were interested in the fate of the plane; he indicated that the request the Pentagon study the plane came through Edwin Meese 3d, the White House counselor.

### Development Cost

Mr. Meese, through a spokesman, denied Monday he had asked the Pentagon to consider buying the F-5G, but he said he "admires the airplane."

So do the mainland Chinese — so much so that they objected to its being sold to Taiwan. The State Department confirmed Monday that the administration had blocked the sale. This puts even more pressure on Northrop to find a home for the plane, which it has spent \$200 million to develop, mainly in hopes of sales abroad.

"This administration feels obligated to help Northrop with its F-5G," said a Pentagon official who opposed going to the aid of Northrop. "That's why we're trying to find a way to use it even though the Air Force doesn't want it."

The Pentagon is expected to ask Congress to approve more than \$100 million in fiscal 1983 to buy "aggressor" planes to oppose Air Force and Navy craft in mock dog-fights. Older versions of the Air Force F-5 and the Navy A-4 currently fly as MiGs in these aerial exercises.

Given its high-level backing, the F-5G until recently looked to many in the Pentagon as a sure bet for the aggressor contract. But now Sen. John Tower, the Texas Republican who is chairman of the Senate Armed Services Committee, has become interested, altering those odds.

Texas is the home of General Dynamics, the nation's biggest defense contractor and builder of a slowed-down version of the F-16. This slowed-down plane is built for export, just like the F-5G. And it, too, could play aggressor.

"It has been suggested to me," Sen. Tower wrote Defense Secretary Caspar W. Weinberger last month, "that the Air Force may be proceeding with the directed procurement of follow-on aggressor aircraft beginning in fiscal year 1983. If that is the case, I would be grateful for your assurance that such an effort will not be initiated until all reasonable alternative aircraft which are suitable for the missions have been fairly evaluated."

A spokesman for Sen. Tower said Monday that the senator wrote the letter not to push the F-16 but to serve notice that the committee would demand an accounting of how the Pentagon intended to modernize the aggressor squadron.

## Few States Expected to Offset U.S. Welfare Cuts

By Robert Pear  
New York Times Service

WASHINGTON — Only a few of the 39 state legislatures convening this month are expected to alleviate the effects of reductions in U.S. spending for social welfare programs.

No state is planning to increase spending to make up for all the federal cuts, and most states are making few moves to offset the effects on the poor.

Such states as Oklahoma and Louisiana, which have the resources to increase spending, generally lack the desire to do so. States such as New York, Connecticut and Michigan, which have a need to continue social services at relatively generous levels, lack the money to do so.

Those findings emerged from an inquiry by The New York Times into the responses of 50 states to budget cuts proposed by President Reagan and approved by Congress last year.

### Eligibility Tightened

Mr. Reagan sought to reduce U.S. programs, in part, so that state and local officials would have more discretion and responsibility. Monday, administration officials said the president was studying a proposal to increase certain taxes and give the revenue to the states, to help offset the U.S. aid reductions.

Congress has tightened eligibility for the main federal-state welfare program, Aid to Families With Dependent Children, and has cut funds for social services by 23 percent. These funds, provided under Title XX of the Social Security Act, are used for the care of abused and neglected children, foster care, day care, family planning services and the delivery of meals and other aid to the elderly and the disabled.

There have been few organized protests against the cuts, which, according to administration officials, were designed to spare the "truly needy."

In Oklahoma, which has the nation's lowest unemployment rate, and a treasury brimful of revenues from oil and natural-gas producers, Gov. George Nigh told his legislature last week, "the state simply cannot afford to replace, dollar for dollar or program for program, the loss of federal funds and programs."

If that is an accurate summation for Oklahoma, it is even more accurate for other states.

### Timber Stamp

In Oregon, for example, a slump in the timber industry, the worst since World War II, has forced officials to consider deep cuts in the state budget. Gov. Victor L. Atiyeh, a Republican, says he does not want the state to use its reve-

## Legislatures Unlikely to Appropriate Funds to Replace Federal Revenues

received \$245 million from the U.S. government for social services.

In New Jersey, Charlene Brown, a spokesman for the Department of Human Services, said that "there has been no increase in spending on human services" to offset the effects of the U.S. budget cuts. "Basically," she said, "we are trying to do more with less."

In Connecticut, Stephen B. Heintz, undersecretary of the state budget and planning office, said: "Our fiscal resources to pick up programs being reduced or terminated are almost nil. All state-funded programs are being cut back because we have a deficit of

The legislature also mandated that the state keep its share of spending for social services at \$34.4 million this year, last year's level, despite a 25-percent reduction in U.S. funds for such programs. Last year New York

## 40-Year Sentence Is Upheld in U.S. Marijuana Case

Los Angeles Times Service

WASHINGTON — The Supreme Court voted 6-3 to uphold a 40-year prison term imposed on a Virginia man convicted on charges of distributing marijuana, concluding that the sentence did not violate the Eighth Amendment's ban on cruel and unusual punishment.

The ruling both reaffirmed and extended a decision two years ago in which the justices decided prison sentences should not generally be considered "cruel and unusual" merely because they are too long. The effect of the two rulings is to leave state legislatures with virtually unlimited discretion to set maximum prison terms for various offenses.

Monday's decision may have a particularly sharp impact in drug cases. Prisoners handed stiff sentences for possessing or distributing marijuana or other drugs over the past decade wanted the Supreme Court to interpret its earlier ruling narrowly and leave the door open for long sentences to be struck down.

The case involved Roger Trenton Davis who was convicted in 1974 in rural Wythe County, Va., of two charges of distributing marijuana and of possessing marijuana with intent to distribute it.

about \$83 million in a \$3 billion general fund budget."

Louisiana is rich from oil and gas royalties and severance taxes. But state officials do not want to pick up U.S. programs. State Rep. John A. Alario Jr., chairman of the House Ways and Means Committee, said: "There is a great deal of feeling in the state that it was time to cut back on big government, and I believe it's time we ought to do the same thing on the state level."

Several states are taking steps to soften the effects of the U.S. budget cuts. For example, Gov. Harry R. Hughes of Maryland, a Democrat, has recommended an increase in the state's "standard of need" that would have the effect of restoring welfare benefits for half of the 6,000 families who lost them last year.

## Republican Says Party Must Not Discriminate

By John H. Averill  
Los Angeles Times Service

WASHINGTON — Sen. Robert W. Packwood, of Oregon, has expressed fear that the Reagan administration "feels it can build a majority party out of white Anglo-Saxon males over 40."

"You can't do it," Sen. Packwood, regarded as a Republican middle-of-the-roader, said Monday at a meeting with reporters. "What the Republican Party must not do is write off women, blacks and Hispanics."

Sen. Packwood made his remarks in response to a question seeking his reaction to Friday's announcement by the Justice Department that the administration, reversing an 11-year government policy, would grant tax-exempt status to private schools that discriminate against racial minorities.

"I'm appalled," Sen. Packwood said of the school policy decision. "I thought the law said you couldn't discriminate."

He said that if there was no law to deny tax-exempt status to schools that discriminate, he would support attempts to enact one.

Sen. Packwood said his fear that the administration believes it can build a majority party on white Anglo-Saxon males over 40 is also based on its opposition to the Equal Rights Amendment and affirmative-action programs.

He also was fearful that the new session of Congress that convenes on Jan. 25 might enact laws that would strip the federal courts of jurisdiction over cases involving abortion, school prayer and school busing.

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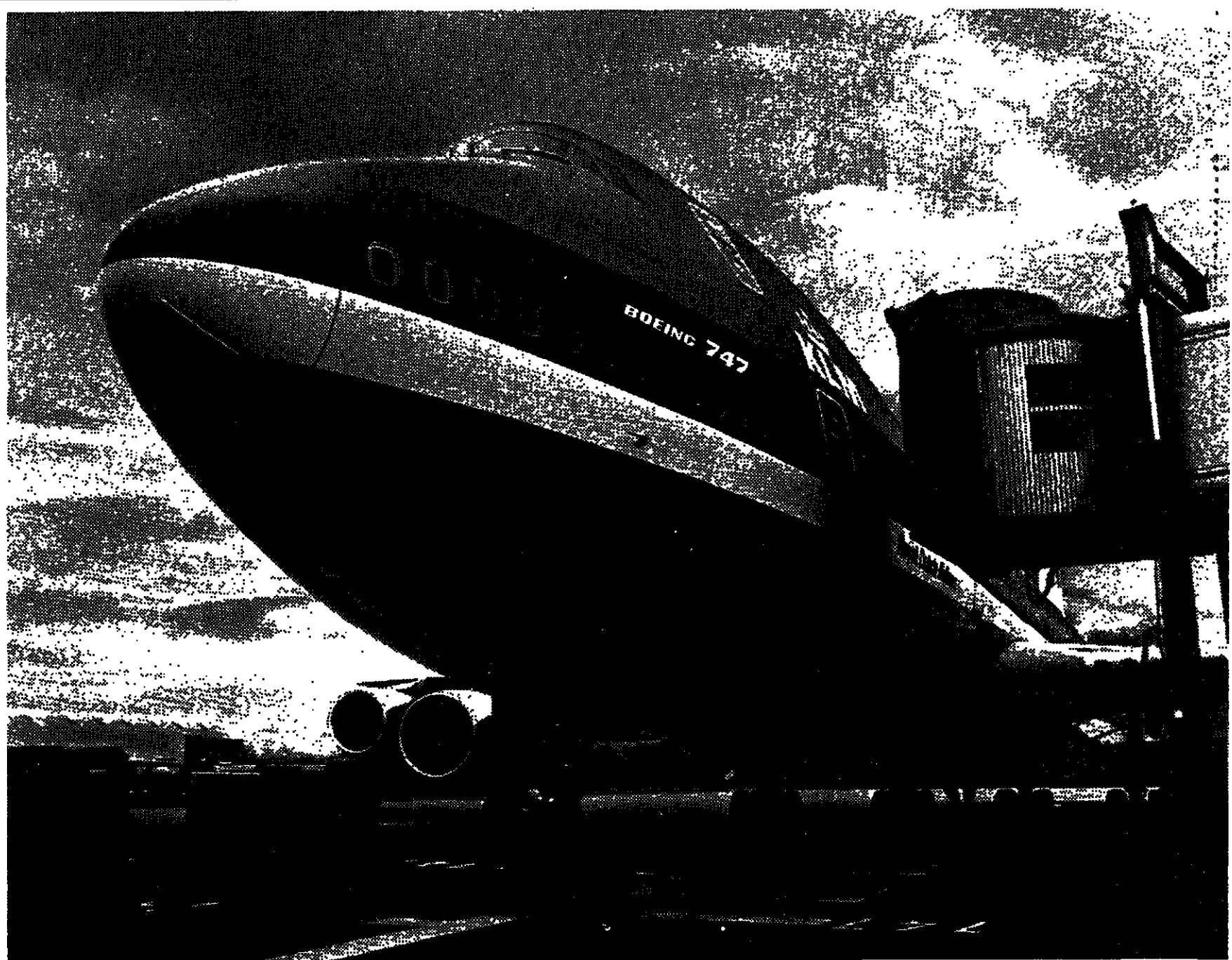
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## UN Body Suggests Asian Food Bank

Reuters

BANGKOK — The UN Economic and Social Commission for Asia and the Pacific on Tuesday recommended creation of an Asian food bank to cover shortages and emergencies in the region.

Each of the commission's member nations would earmark an agreed percentage of its grain production for the food bank, the commission said in a report. This would be the country's quota, which it would be able to use, in times of emergency, the report said.



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# For One Afghan Guerrilla, VIP Status Was All Too Brief

By Jerre van Dyk  
New York Times Service

SHIE-KOT, Afghanistan — Mallem Abdul Shukur was, until one morning in October, a very important man in this hilltop headquarters of the major guerrilla organization fighting in Pakia province on the Pakistani border, and now he said he did not know whether to laugh or cry in frustration.

Although he was the only one of the 50 rebels who had completed high school or spoke English or took proper care of his Soviet-made automatic rifle, Mr. Shukur's importance to the group had been his knowledge of how to fire a SAM-7 missile. He had been trained in Pakistan — he would not say by whom — to use the shoulder-fired, heat-seeking missiles that the guerrillas believe are

the only effective defense against Soviet helicopters.

At one time, Mr. Shukur said, the group had four SAM-7 missiles, and now there was none. The last of the four had just been fired, missing its target by a wide margin. What rankled Mr. Shukur was that the missile had been fired by an Egyptian interloper who had taken his job.

Mr. Shukur would not say what had happened to the three previous SAM-7s he had fired, but by his manner he indicated that he had done better than the Egyptian, a man named Mohammed Abdul Rehman who said he had been a major in the Egyptian Army and was a member of the Muslim Brotherhood. He said he had come

to Afghanistan to join in a jihad, a holy Islamic struggle against the Communists.

Mr. Shukur said that for the week the Egyptian had been at the camp he had spent four hours a day praying and had berated the Afghans for not being good Muslims. He had been overjoyed at the news of the killing of Sadat and, after firing the last missile, he was preparing to leave Afghanistan and return to what he described as the struggle in his own country.

At another guerrilla camp in Kandahar province in the southern part of the country, Mohammed Ismail, the leader of 38 guerrilla groups operating in the desert area, dictated a letter to the chief

of his tribe pleading for weapons to supplement their 80-year-old rifles.

Mr. Ismail, 40, who can neither read nor write, said in the letter that each of the 50-man units under his command had no more than a single automatic rifle. The rest had old British Lee-Enfields that in Afghan hands are a highly accurate weapon. But they fire only a single bullet at a time and they have limited utility against the Kalashnikov assault rifles of the Soviet-supplied Afghan Army.

In the letter to the tribal elders, he was asking for as many Kalashnikovs as possible, captured from the Afghan Army or sent into Afghanistan from abroad. The weapons sell for \$2,800 apiece in the

tribal region of Pakistan near the Khyber Pass. Mr. Ismail said the shortage of rifles did not apply to bullets. He said he could buy all he wanted from Afghan officers and Soviet soldiers in Kandahar, where he said the going rate was a thousand rounds for 2.2 pounds of hashish.

In six weeks in Afghanistan spent with various guerrilla groups, a wide discrepancy was found in the availability of arms and the tactics used by different rebel groups.

Some rebel units had heavy machine guns and rocket-propelled grenades for use against tanks. One group even had two tanks and SAM missiles. Guerrillas who acknowledged that several months

earlier they had never seen mortars now talked of the need for what they described as optically guided missiles. Elsewhere, the arms and tactics dated from Afghan campaigns against the British that continued into the early part of this century.

Most weapons seemed to come from Soviet and Afghan forces, either having been captured or bought or brought over by defecting units. Some were purchased in tribal areas, where the manufacture and trade in guns is a traditional enterprise. Others came from abroad and were funneled to the rebels through the half-dozen Afghan resistance groups based in Peshawar, Pakistan.

## Relatively Small Amounts

Knowledgeable Westerners in Pakistan said that only relatively small amounts of arms arrived in Karachi by sea. They are then quickly moved to Peshawar, where they are distributed to the six Afghan political factions that have been recognized by Pakistan.

Of the six, it appears that the more fundamentalist of the Islamic groups get the best arms. The guerrillas often sell captured weapons and divide the money.

Everywhere, guerrilla leaders hoped for equipment from the West. They usually asked about any weapons that could down the heavily armored helicopters that have been able to fire rockets and machine guns with impunity. The sentiment was summed up by Mawle Abdul Chagor, a mullah commanding a unit at Naka, a mountain camp where pine trees hid two Soviet 12.7-mm anti-aircraft guns.

"What we need from your country is three things," he said. "First, a hospital; second, something to stop the helicopters, and third, something to stop the tanks. Without them we will lose. We will fight our own war. We are not afraid of the Russians, but we are afraid of their helicopters."

## Delays in Visit Dampen French-Israeli Amity

By Edward Cody  
Washington Post Service

PARIS — President Francois Mitterrand came to office last June declaring himself a "friend of Israel" by the close timing of Mr. Mitterrand's visit to the Jewish state to dramatize a shift in French policy considered pro-Arab under his predecessors.

Since then the intended show of amity has become surrounded by doubt, irritation and suspicion, demonstrating for Mr. Mitterrand's government the difficulty of keeping friends on both sides of the tangled dispute dividing Arabs and Israelis in the Middle East.

The confusion also highlights the complicated heritage of French-Israeli relations. Paris was a close ally and arms supplier of Israel in the 1950s, particularly during the Algerian war, where their secret services cooperated against Egypt, and in the 1956 Suez war, when their armed forces made coordinated attacks on the Suez Canal and Sinai desert. Since the 1967 war, however, France had been an estranged friend, refusing to sell arms to Israel and interested primarily in good relations with Arab nations that are its main oil suppliers.

## Warning of Attack

Despite Mr. Mitterrand's declared resolve to return to a middle course, his visit was postponed for the second time last week, a Cabinet minister said, because of Israel's de facto annexation of the Golan Heights. French diplomatic sources said Ministry of External Relations analysts also had warned Mr. Mitterrand that, in their assessment, Prime Minister Menachem Begin could order an attack on Palestinian forces in Lebanon in coming weeks and that it could coincide with the visit.

## 21 Students Sentenced

RABAT, Morocco — A Rabat court sentenced 21 students Tuesday to prison terms of up to three years after they were convicted of disturbing the peace during a wave of agitation that led to clashes with police and auxiliary troops.

The students staged a series of demonstrations and strikes in November and December, mainly in protest against the introduction of special guards to keep order in higher education establishments.

The Socialist president originally was to make the trip — the first



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## Calgary's Boom Bares Regional Animosity

By Henry Giniger  
New York Times Service

OTTAWA — Mayor Ralph Klein of Calgary, one of Canada's biggest boom cities, has just sent shock waves through the country's growing ranks of unemployed by denouncing the "bums and creeps"

who come to his city looking for work and end up resorting to crime.

Mr. Klein, an outspoken politician and former television announcer, stunned a meeting of the Calgary Newcomers Club last week by threatening to use what he called "cowboy techniques," presumably roundup, to control the antisocial behavior of some recent arrivals from other provinces.

"Even if we have to put them all in jail, on top of one another, we have to do it," he said.

The mayor's remarks served to underline the growing economic and social distortion between Canada's regions as western cities like Calgary ride the tide of an energy boom while the east suffers some of the highest levels of unemployment since World War II because of a deep recession in manufacturing industries.

The latest figures showed a seasonally adjusted unemployment rate for Canada as a whole of 8.6 percent, with 13.6 percent in Newfoundland and close to 12 percent in Quebec. In contrast, the unemployment rate in Alberta, the biggest oil and gas producer, is now at 4.5 percent.

In Calgary, where the oil and gas industry has its head offices and where a building crane seems to sprout on every street corner, the population is growing by about 2,000 a month, Mr. Klein told a visitor a few months ago.

But although he said the problems of growth were acute, he said that those of stagnation, the influx of Canadians looking for job opportunities they do not find at home has created considerable strains on the city's resources. In addition to some of the highest housing prices in Canada, Calgary and other cities in Alberta are facing problems with young workers from the east who have no skills and little money to tide them over until they acquire them.

According to police statistics, about a quarter of the criminal offenses are committed by people from Ontario, Quebec and the Maritime region. Half of those arrested for bank robbery last year were from the east.

## Remarks Condemned

But Mr. Klein's remarks were condemned by many in the east, including Mayor Art Eggleton of Toronto, the country's biggest city. Mr. Eggleton accused him in a press statement of hurting national unity "at a time when we truly need it," adding that "the true test of how great a city is can be measured by the degree of compassion it shows its less fortunate citizens."

In Toronto, an editorial in The Globe and Mail reminded Mr. Klein that "during the Depression, a great many westerners went east looking for jobs. Some met, undoubtedly, but there was not a city or town where homes and institutions were not open to them," the editorial said.

But in the newly prosperous western provinces there is a deeply rooted aversion to eastern cities like Toronto, which lorded it over them for so long.

Mr. Klein is not alone among Albertans in taking a jaundiced view of some of the new arrivals. In the east, there has been so much talk of the Alberta boom that thousands of young people, either laid off from jobs or unable to get their first one after graduating from school, have looked to Alberta and to the west in general as a new El Dorado.

But provincial officials have warned that while people with skills are welcome, those who come with nothing but the desire for a job are not. The suicide rate in Alberta is reported to be the highest in Canada, the apparent result of a widening gap between those who have prospered and those who have been frustrated and disappointed by their inability to share in the boom.

## Stores Looted in Nigeria

The Associated Press  
MAIDUGURI, Nigeria. — Young persons bent on driving prostitutes and "unbelievers in Islam" from Maiduguri looted or destroyed stores and private homes last week, the Nigerian news agency reported Tuesday.

## Le Monde Journalists Rescind Vote on Editor

The Associated Press

PARIS — The future leadership of the prestigious French newspaper Le Monde was in doubt Tuesday following a vote by the newspaper's journalists rescinding their choice of Claude Julien as Le Monde's editor and publisher as of 1983.

Mr. Julien, editor of the monthly Le Monde Diplomatique, was elected June 1, 1980, to succeed Le Monde's director-general, Jacques Fauvet, 67, who will step down at the end of this year.

At a meeting Monday night, only 40 percent of the newspaper's 200 journalists confirmed Mr. Julien's appointment. He needed the support of 60 percent.

The journalists of Le Monde, considered one of the world's leading press organs, own 40 percent of the newspaper. The daily has a circulation of 350,000.

The newspaper, founded in 1944 after the liberation of Paris from Nazi occupation, allows its reporters and editors to elect their director-general, who in the French

## Beirut Embassy Blast Toll

The Associated Press

BEIRUT — Two more bodies have been found in the rubble of the Iraqi Embassy, which was destroyed last month in a bombing, bringing the death toll to 61, a Lebanese police spokesman said.

## Hakuo Matsumoto, Veteran Japanese Actor, Dies at 71

From Agency Dispatches

TOKYO — Hakuo Matsumoto, 71, a leading Kabuki actor who was awarded the Order of Culture last year, died Monday of a heart attack.

Mr. Matsumoto was awarded the title "living national treasure" in 1975 by the Japanese government.

His given name was Juniro Fujima, but the actor was known to the public as Koshiro Matsumoto, the stage name he used from 1949 until he retired last year, when he was given the honored Kabuki name of Hakuo.

## Jan Schilt

NEW YORK (NYT) — Jan Schilt, 37, chairman of the department of astronomy at Columbia University from 1936 until 1962 and a pioneer in stellar statistics, died Saturday.

James Moore McLaughlin WASHINGTON (WP) — James Moore McLaughlin, 73, the curator of The Phillips Collection art museum in Washington and a painter in his own right, died of a stroke Saturday.

## Copenhagen Port Strike

Reuters

COPENHAGEN — The port of Copenhagen is still paralyzed by a longshoremen's strike that broke out Thursday.

## Golan Border Crossing Being Created by Israel

By David B. Ottaway  
Washington Post Service

QUNEITRA, Syria — Israel has begun turning its military checkpoint on the western outskirts of this central Golan Heights town into an international border crossing, according to UN officials.

The mostly symbolic act is clearly in defiance of the recent UN Security Council resolution unanimously condemning the Israeli annexation of its occupied portion of this strategic Syrian territory and has served to raise tensions even higher between the two nations.

Nonetheless, UN officials said there was no sign of any new military buildup by either side.

Construction of new, more permanent buildings and an enlarged parking area for inspecting vehicles at the Israeli checkpoint started about a week ago, according to UN officials who are concerned about the implications of the move for their own unrestricted travel across the disengagement lines established by the 1974 Geneva peace conference.

"They have told us they were going to make it into an international frontier crossing," said Lt. Col. James Allan, the Canadian deputy chief of staff of the UN Disengagement Observer Force. "They are putting up new buildings to replace the old corrugated shacks."

However, there is no civilian or military traffic across the Syrian-Israeli disengagement lines here, and the only group that could possibly be affected by the Israeli move are the 1,288 members of the UN force stationed within the 50-mile length of the demilitarized zone separating Syrian and Israeli forces on the Golan.

The Syrians have left this Golan Heights town a scene of total destruction as they say they found it upon the Israeli withdrawal from here in June 1974.

Israel remains standing, and it is the Syrian contention, backed up by a UN report, that the Israelis systematically used bulldozers and dynamite to destroy the town before they gave it back to the Syrians.

The Syrian government now uses it as a showpiece for visitors in its campaign to discredit Israel and prove Israeli bad intentions toward its Arab neighbors.

It is an impressive site of destruction made more stark by the contrast of green fields and white-washed homes of two Israeli settlements visible just on the other side of this town.

The Syrians have allowed just four families to remain living in the ruins of the old town, and there is also a school, with their 14 children plus another 17 from nearby villages, operating in the remains of the municipal building.

One of the less than 50 residents is Amina Hassan Johk, a wrinkled, toothless old woman with a twinkle in here eye and a defiant voice. She lives with her son and his family in one of the few homes still standing in the town's center.

Amina said she had remained in the town through both the 1967 and 1973 Arab-Israeli wars and witnessed its exchanged four times between Israeli and Syrian forces.

## "Not Afraid"

"I was not afraid of the Jews," she said recounting how she had watched Israeli soldiers in June, 1974, set fire to two of the nearby houses while she stood in the doorway defending her own with a knife in hand.

She said Syrian President Hafez al-Assad had personally asked her to remain in the house where she now lives when he was on a visit to the town shortly after its return to Syrian hands.

Asked why she wanted to continue living here while all the other 53,000 inhabitants had left, Amina replied, "If there is no hope, there is no life."

Meanwhile, the Syrian government has begun building a new town a few miles away on the road to Damascus as well as nine villages along the disengagement line to house the 140,000 Syrian evacuees from the war zone during the 1973 fighting.

## 21 Students Sentenced In Rabat After Protests

Reuters

RABAT, Morocco — A Rabat court sentenced 21 students Tuesday to prison terms of up to three years after they were convicted of disturbing the peace during a wave of agitation that led to clashes with police and auxiliary troops.

The students staged a series of demonstrations and strikes in November and December, mainly in protest against the introduction of special guards to keep order in higher education establishments.

The Socialist president originally was to make the trip — the first

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## Buddy Tate: Tenor Sax à la Texas



Buddy Tate: Big sound.

By Michael Zwerin  
*International Herald Tribune*

PARIS — When Buddy Tate was once asked: "How come all you Texas Tenors got such big sounds?" he answered: "Well, Texas is a big state and we have to play loud to be heard."

The Texas Tenor school of saxophone playing was established by Herschel Evans, whom Tate succeeded with Count Basie in 1939, and includes Illinois Jacquet, Arnette Cobb and Bud Johnson.

After finishing a run in London's Pizza Express Dec. 24, Tate, who will be 67 next month but looks 20 years younger, had three days off before opening in the Hotel Meridien here. He flew home to his 20-room house in Massapequa, N.Y., to spend Christmas with his wife, six children and 11 grandchildren. "They all live right nearby," he said, showing photographs spread on the dresser. This is a man with plenty of practice catching airplanes and making a hotel room homey. "Family's been important to me from the beginning."

He toured Japan last August and will return this year. He has two weeks in April at the New York club Sweet Basil, then comes the Kool Festival in June, followed by Nice and the summer European festival circuit. After that Dick Gibson's Jazz Party in Colorado Springs as usual on Labor Day weekend, plus a couple of albums to record in between.

"I'm booked solid through November," he said. "Not a hole."

When he was 14, he and some cousins formed a combo in his native Sherman, Texas. They had four changes of uniform and matching overcoats and were doing pretty well playing their Louis Armstrong and Fletcher Henderson-influenced arrangements for college dances. One day the blues singer Lonnie Johnson arrived for a job but his band didn't. Tate and his cousins got the call and Johnson was so pleased he gave Tate \$50.

He was starting to split it up when Johnson said, "What are you doing? That's all yours. I'm giving each of you \$50." Tate smiles. "I almost fainted. That was a lot of money in those days. I made up my mind to be a musician then and there."

One day in a Tulsa hotel, Tate ran into the Young family band with Lee, Irma and Lester. "There was a baby grand in the lobby and jamming went on all day long. I ran upstairs and woke Lester up and asked him if he wanted to come down and play some. He jumped and said 'Yeah!' He'd play anytime. I'll never forget the sound that came out of that horn. Ended up nobody playing but him. We were all just listening. He laughed and said: 'I didn't come down here to play a concert!'"

Count Basie was one of the first bands with four saxophones, including two tenors, and the section that included Herschel Evans on one end and Lester Young on the other went down in history. Tate could play from memory most of Evans' solos, including the hit "Blue and Sentimental." They had similar sounds and when Evans died, Tate took over his chair and kept it for 10 years.

Tate led the band in Harlem's Celebrity Club for 21 years. He shakes his head ruefully while telling an anecdote that involves one of the clichés many laymen hold about jazz musicians: "One night a guy came in there and offered me a drink. I said 'I don't drink on the job.' He was pretty drunk. He said 'What do you do then, use the needle? You're all too happy up there, laughing all the time and having a ball. You all use the needle don't you?'"

Although early death and drug abuse are not unknown in jazz, this is the other side of the coin. It is an old coin that looks newly minted. Music has been Tate's drug for over 50 years and there appear to have been no unpleasant side effects. Does he recommend jazz as a career to young people today?

"Yeah. It's been good to me. I got three of my grandchildren started learning piano."

Buddy Tate: Meridien Hotel through Jan. 16; Schweizerhof Hotel, Bern, Jan. 28-Feb. 17.



Fonda, Kristofferson playing at high finance in "Rollover."

## Eurodollar Silliness Bankrupts 'Rollover'

By Janet Maslin  
*New York Times Service*

NEW YORK — Is the Arab Eurodollar really a good subject for movie banter? Somehow, somebody thought so. In "Rollover," Kris Kristofferson and Jane Fonda play a banker and a board chairman who confer incessantly about financial matters at the multi-multi-megabuck level. The dramatic possibilities are weak at best and satirical underpinnings are nowhere to be found.

The characters are either deeply unsympathetic or, when they resort to technical jargon for very long periods of time, incomprehensible. It's a toss-up as to which is the closest thing to a warm, affectionate moment here: a scene in which Kristofferson looks on appreciatively while Fonda discusses cash flow, or one in which, after watching her make a grand entrance down an imposing staircase, he takes her by the shoulders and marches her back up again.

"Rollover," which was directed by Alan Pakula, works neither as love story nor as satire, and it isn't even the thriller it sets out to be. It begins with a murder, which, exemplifying the generally meandering quality of the movie, isn't mentioned again for about an hour. The killing does make a widow of Lee Winters (Fonda), however. A movie queen turned mogul's wife, she is now made ruler of a huge corporation, thanks to some advice from the dashing financier Hub Smith (Kristofferson), who is described by another character as "restless, ambitious and a sucker for a star play." Once Lee ascends to power, she puts in many late-night hours at her deserted office, wearing evening clothes and listening to tape recordings, in a manner

reminiscent of Pakula's "Kluge," a movie that had infinitely more sense, energy and style.

The plot here revolves around a joint venture, in which the failing bank Hub Smith has been summoned to save decides to back Lee Winters' company in a deal so enormous that the interest alone will keep the bank afloat. Along the way, both Hub and Lee independently grow curious about a mysterious bank account in which large sums of money are being hidden. This account is conveniently mentioned at every opportunity, so that the spying can be accomplished with ridiculous ease.

At last, Hub confronts an adversary, played by Hume Cronyn with far more dash and authority than anyone else in the movie, and a talk about Arab Eurodollars ensues. The worldwide flow of money is envisioned as a force of nature, and there is the dark threat that if this flow is interrupted, "in six months you'll see grass right over Rodeo Drive!"

As a suave, off-handedly brilliant financier, Kristofferson is so miscast that his plight is as hopeless as that of the movie's bankers. Fonda, lounging in gown after glamorous gown, makes Lee Winters' elegance an absurdly exaggerated trait, but her performance is otherwise so lifeless that the point gets lost.

"Rollover" isn't dull. Much of it is so badly bungled that it can't help but rivet the audience's attention. The direction is perfunctory and ineffective. Plot holes are everywhere, as is an uncommonly loud and vacant score. If the worldwide monetary situation is as bad as the screenplay makes it out to be, movies this extravagantly silly only make it worse.

## Peking Ensemble Is Amateurish

By Thomas Quinn Curris  
*International Herald Tribune*

PARIS — The Peking theater season must be below par if the show that has been imported under official auspices to the Théâtre de Paris is a specimen of what it is experiencing.

The artists of the "Ensemble de Pékin" perform diligently and ingenuously, but the presentation is so humorously amateur that it would benefit from the intervention of even a third-rate Broadway stage manager.

A woman, after long isolation on the huge stage for a mandolin solo, must give a high sign that she has completed her rendition, and when a Chinese singer emits a Parisian ballad in French to illustrate her versatility the audience is slow to grasp the linguistic feat being attempted. A small orchestra in the entourage, but the musical accompaniment relies heavily on recordings, which lead the proceedings a tiny effect. A baby spotlight teases the hem of the curtain between sequences, emphasizing the high-school glee club impression so broadly that one expects the institute's dean to come out and wish us all a happy Chinese New Year.

The Chinese theater has been weathering violent storms and earthquakes since the incomparable Mei Lan-fang thrilled playgoers everywhere with his exquisite artistry. The Peking Opera, known to the West from its European tours in the 1950s, was deemed as "bourgeois" at the time of the so-called Cultural Revolution, when Madame Mao took command of matters theatrical. Evidently she was impressed by reports of the Radio City Music Hall extravaganza in numbers and, though she failed to recruit regiments of Rockettes, she staged a series of mass spectacles — "The East Is Red" and others — which have been preserved in film versions.

Apparently, since her fall, the Chinese stage is being restored to its earlier state with revivals of traditional classics and less shouting of political slogans. Yet in fairness it must be admitted that Madame Mao displayed more professional flair than is to be found in the visiting show, which with its coral ballets and sea-wave, snow and tambourin dances is more reminiscent of a Hollywood-east-of-Suez movie than the product of a fresh turn in the Chinese performing arts. Certainly the new China, with its rich cultural resources, can do better than this.

"Richard II" has gone Oriental at the Théâtre du Soleil of Vincennes, where Ariane Mnouchkine has staged it after the manner of the Japanese Kabuki. She has translated the Shakespeare tragedy herself. This transposition does not suit the sweet melodies of the original, as might be expected, but it

fits her current purpose, though perhaps due to the defective acoustics of the vast hall, it is sometimes spoken indistinctly.

What she has actually done is to transform the chronicle of English history into a Japanized ballet spectacle with dialogue. The company charges onto the broad double stage she has constructed as though Samurai combat were

about to take place. There is exotic novelty in hearing John of Gaunt, done up as a Japanese warrior, reciting in French his paean to "this precious stone set in the silver sea." Richard's appearance as a primitive Oriental monarch is slightly disconcerting, but as a production the Mnouchkine experiment has brilliant coloring and theatrical fluidity.

## Voices Carry 'Capuleti'

By William Weaver  
*International Herald Tribune*

FLORENCE — Bellini's version of the Romeo and Juliet story, "I Capuleti ed i Montecchi," dates from 1830, and thus precedes "La Sonnambula" and "Norma" by a matter of months. Yet this tender, lyrical piece is always considered a minor work, and even in the wide-ranging Bellini revival of the past few decades the opera has not achieved real popularity. Beverly Sills has recorded it, and various stars have performed it in the great houses, but a proper evaluation of the opera is still to be reached.

The current Florence production, the second opera in the winter season at the Teatro Comunale, may make a positive contribution toward a reconsideration of "I Capuleti" in the Bellini canon, but if the result is an upgrading, the merit will belong entirely to the singers. Visually, this production is an almost unmitigated disaster. Pasquale Grossi, the designer, is a man of immense talent, but his Verona, glaring red and aggressively barren, provides a dull, repetitious, unstimulating background for the simple action of Felice Romani's elegant libretto.

Giorgio Marin's staging is similarly unhelpful. A leading figure in the avant-garde of the Italian spoken theater, Marin is chiefly known for a series of elegant, stately, slow productions (including Salvatore Sciaccino's "Maggio" a couple of years ago); but here, with this Bellini production, he seems to have lost even his sense of neatness. The sets moved awkwardly, the chorus often stood stock-still, extras pranced around with lamps or bowls of flowers, even a corpse, and the occasional crowd scenes totally failed.

Fortunately the story of Romeo and Juliet does not depend much on crowds. There are two characters, and Romeo was interpreted

by the magnificent Agnes Baltsa, already familiar to the Florentine audience for her impassioned performance as the Composer in the Vienna State Opera's "Ariadne auf Naxos" brought here a few years ago, and the Julietta was a young soprano, still in her 20s, Cecilia Casadei, virtually making her professional debut. They were a splendid pair: The tender Baltsa was admirably matched by the almost adolescent Casadei, whose voice has a total sweetness, and if it occasionally shows some unexpressive, blank areas under stress, the interpretation is always saved by the nobility and elegance of the artist's demeanor. Casadei is, in short, a genuine revelation. Last year she was awarded the Callas prize — a daunting accolade, but she may prove to have deserved it.

The rest of the cast was barely adequate (except for the reliable bass Agostino Ferrin, as Juliet's father, the Florentine chorus did its job well and the orchestra — with a score that may seem easy but actually is of elusive difficulty — acquitted itself well, conducted by Pinkas Steinberg. This was the Italian operatic debut of the U.S. maestro. The effect was not overwhelming — sometimes the slow passages drooped excessively — but at least he held the performance together and allowed the two stars (and stars they were) to reveal their immense capacities.

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## NATO Speaks on Poland

It says something not altogether comforting about the Atlantic Alliance that it took Washington and its allies four weeks to make their first common statement on Poland. The statement, however, issued by NATO foreign ministers Monday, is not bad. It puts responsibility on the Kremlin as well as on the Polish regime. It makes three demands — the ending of martial law, the release of prisoners, the restoration of an internal Polish dialogue — that are hardly unreasonable. It underlines the Polish regime's economic desperation by making formal the existing ban on new nonfood commercial credits and by suspending negotiations on Poland's foreign debt. It warns of sanctions against the Soviet Union that the allies might yet impose on their own.

There is nothing surprising here and nothing likely to bring an abrupt turnaround in Warsaw or Moscow. Still, though the alliance continues to deal with several hands, it is now speaking with one voice. How unfortunate, then, that an asterisk must be added. Greece sat out key parts of the NATO declaration, the new Socialist government choosing in effect to give aid and comfort to the crushing of the workers in Poland, the better to press its grievance against fellow NATO member Turkey — it imagines.

In the NATO declaration, the most sensi-

tive element is the suspension of negotiations on rescheduling Poland's repayment of the \$10 billion in principal and interest due Western governments and banks in 1982. A game of high-stakes, international "chicken" is under way. The Poles, with immense debts and no way of their own to pay, threaten that if their Western creditors press them too hard they will default and do grievous damage to the international banking system. The creditors, with governments among them leaning on banks among them, hint — there is not the consensus yet for a real threat — that the whole East bloc's access to credit will close 1) if Warsaw or Moscow does not pay up and 2) if Poland does not return to renewal and reform.

It is easier for Americans, owed little by Poland, than, say, West Germans, owed a lot, to demand that Poland be forced to the wall. But since the United States and West Germany are not only allies, but also members of the same banking system, it is worth a strenuous effort to establish a common policy on the debt. There will be time to argue over whether the creditors should have allowed themselves to become so precariously exposed. Now is the time to seek an agreement on how to make the debt work as a lever on Poland, and not on the West.

THE WASHINGTON POST.

## Duty During a Recession

"Almost 2 million Americans have lost their jobs this year alone. . . . Individuals and families are being hurt and hurt badly. Factories are empty, unemployment lines are full." Is that a Democratic attack on the economic policies of the Reagan administration? No. That is from Ronald Reagan's attack on his predecessor's economic policies. It was the summer of 1980, when unemployment had peaked at 7.6 percent, and candidate Reagan called it a "severe depression."

What words are appropriate for the winter of 1982? This recession is already more severe. Unemployment reached a rate of 8.9 percent last month, having rapidly run up from 7 percent at the official start of the recession in July. It is bound to rise higher.

Indeed, the Reagan administration has engineered what looks to be the largest surge of unemployment since World War II; the rate is bound to surpass the record of 9 percent reached in 1975. Nearly 9.5 million Americans are now officially classified as looking for work — more than at any time since the Great Depression. An additional 1.2 million, also a record, have given up looking.

The administration clings to the view that this is a necessary price for reaching a laudable goal. Mr. Reagan denies that he deliberately invited recession. But he defended his entire economic strategy on Friday by saying, "I don't know any other way to do it."

How much pain does this strategy inflict? For the majority of Americans, who are indeed more concerned about inflation than their neighbor's distress, there is not much pain. But for many of the jobless, there is altogether too much.

They have the misfortune of being without work at a time when the federal government has cut back on protection for the unem-

ployed and left state governments too poor to fill the gap. During last year's budget blitz, the administration left intact the basic program by which most states pay jobless benefits for 26 weeks. But it sponsored changes, taking effect later this year, that will make it harder for workers to qualify for an additional 13 weeks. Even under the current system, the longer payouts were — incredibly — lost to Michigan for 13 weeks beginning last November, even as its unemployment rate soared to 15.1 percent.

The federal government also compounded the problems of the jobless in other ways over the past year. Funds for state employment offices have been reduced, curtailing the help given to job-seekers. Eligibility rules for food stamps and welfare have been tightened. Federally supported work programs have been cut way back.

The White House thinks conditions will gradually improve. But the country is already paying a high and cruel price for a dubious economic remedy.

Serious recessions always reduce inflation, but the gain has tended to be lost with recovery. A longer advantage may accrue this time because frightened workers in such key industries as autos, rubber and trucking are likely to accept contracts with only modest increases in their wages. But many of these workers should be retrained for entirely different work and they are getting no help from the government.

Mr. Reagan last week referred to the nation's unemployment rate as "tragic." A better measure of his concern would be action that keeps the burden of recession from falling so heavily on only some regions and some Americans.

THE NEW YORK TIMES.

## An Outrageous Decision

The civil rights movement in the United States was pushed back to 1969 on Friday. The Treasury Department announced a reversal of a consistent 12-year policy of denying tax-exempt status to educational institutions that practice racial segregation. Citing the absence of clear statutory authority to withhold tax-exempt status, Treasury officials tossed this hot potato right to Congress, declaring that the benefits would be conferred unless Congress directs otherwise.

This is a deplorable step backward and one that ignores not only existing laws but also a series of court decisions. The question has long been settled — or at least it had been — and if a good purpose is served by reopening it, no one has said what it is.

In fact, Congress has already acted. Title VI of the Civil Rights Act of 1964 specifically prohibits any kind of federal assistance to institutions practicing racial discrimination. Is tax-exempt status such a benefit? You bet it is. First of all, institutions that qualify are exempted from federal Social Security and unemployment taxes. Second, and more important, private contributions to such organizations are tax-deductible, so that gifts are in a real sense subsidized by the taxpayers. In both categories, the advantages that go with tax-exempt status can be measured in dollars and cents. Congress clearly meant to withhold them from segregated schools.

The courts have already spoken, too. Shortly after the 1964 act became law, civil rights groups in Mississippi sued to stop the government from granting tax-exempt status

to Jim Crow schools. Even after the IRS conceded in 1970 that it "could no longer justify allowing tax-exempt status to private schools which practice racial discrimination," the Supreme Court affirmed a lower court's prohibition of the practice. In that case, *Voit v. Green*, the court affirmed Treasury's new policy as the only correct interpretation of the Internal Revenue Code. In light of this decision, it is difficult to understand Friday's announcement that tax authorities are powerless to apply a national interest test in these cases.

Finally, the Treasury's reversal of policy is wrong because it's too broad. To date, the Supreme Court has not decided the question of whether schools that discriminate can continue to enjoy tax-exempt status if that discrimination is the result of religious belief. This question was before the court until Friday, with the United States arguing, correctly, that while the government could not prohibit a religious belief that resulted in segregation, such belief need not be subsidized by the taxpayers through the granting of tax exemption. With its announcement Friday, Treasury not only reversed its position in the case of religious groups, it went much further, reinstating tax exemptions for all groups whether or not segregation was required by religious belief.

Now it's up to Congress. A number of members have already said they plan to reverse this new policy by clear and unequivocal statute. Support them.

THE WASHINGTON POST.

## From Our Pages of 75 and 50 Years Ago

### 1907: Automobile Boom

NEW YORK — No line of manufacturing has experienced greater prosperity in 1906 than the automobile industry. All the factories were busy and many of them were running overtime. The total production of the United States is estimated at 38,000 machines, valued at \$15.5 million. The chief feature of manufacture for the year is found not in novelties but in standardization and perfection of machine parts. All the leading makers have bettered their machines, but the betterments are mainly in the things that do not appear on the surface. They will be manifest to the users a few years hence, as they find that touring automobiles and runabouts do not wear out as of yore.

### 1932: Crisis in France

PARIS — The French ministerial crisis, which opened with the death of André Maginot a week ago, reached a climax when the Laval Cabinet tendered its resignation to President of the Republic, Paul Doumer. In view of the two international conferences due in the next few weeks it is expected that the crisis will be short and that a Cabinet may be formed by the time the chamber meets tomorrow. Premier Pierre Laval was not overthrown by parliament. It is now expected that after the refusal of the Radical and the Radical-Socialist parties to participate in a government of the same political texture as the outgoing one, Mr. Laval will call upon the outgoing ministers to retain their portfolios.

## A Murmur of Isolationism Rises Across the U.S.

By David S. Broder

PEORIA — An old, familiar sentiment is rising again in the Midwest this chilly winter: isolationism.

Joan Moon, who runs the H & R Block income-tax office at the Northwoods Shopping Center, is, like most other people here, a Ronald Reagan supporter. Though she's worried about rising unemployment, she is willing to give his economic policy more time to work out.

But when she was asked a generalized question about the president's handling of foreign affairs, she said her opinion is being "too hard-nosed on this deal with Russia and Poland. I'd rather we just stayed out of there."

Like almost everyone else in town, she will tell you that Reagan's trade sanctions against the Soviet Union caused the cancellation of an \$80-million deal with Caterpillar, the area's largest employer, to sell 200 pipelayers for Russia's east-west gas pipeline.

And, like everyone else, she adds in the next breath that the jobs and profits that would have come into the Peoria area will go, instead, to Caterpillar's biggest competitor, Komatsu of Japan.

### Not Alone

But it is more than the economic loss. There's the fear that economic sanctions could lead to military intervention or, at least, to an American responsibility for what happens to Poland. "I'll bet a lot of Polish refugees end up coming here," Mrs. Moon said, "taking jobs that we need for our own people."



"This Time the Sign Was Painted by Americans."

She is not alone. Among the shoppers here last Saturday, most of them past and present Reagan supporters, the biggest complaint was "our so-called allies are never willing to go along with us."

"I don't know why we should

take responsibility for Poland," she said, "when we can't handle the problems in our own country. That's none of our damn business. We cannot police the whole world."

That attitude is stronger among women than men, and particularly noticeable coming from Republicans. But it is expressed in all quarters. Jim O'Connor, the 31-year-old president of United Auto Workers Local 974, a hard-core Democrat, said: "My dad was a Navy man, and I'm one who thinks we owe allegiance to the commander-in-chief. I got no sympathy for the Russians putting down Solidarity. But I tell you, Reagan better be answering why the Germans and the Japanese never want to follow our lead. And if they're playing the game, he better tell us why we should allow them to sell anything in this country. Anything."

Peoria is less prone to economic or political isolationism than other Midwest cities, because Caterpillar is an international trade giant, and its management's thinking pervades the local consciousness.

Nonetheless, the lead editorial in Sunday's Peoria Journal-Star said:

"We freely confess that we also are sick and tired of European nations taking for granted a whole range of things, in which we are supposed to eat disadvantages while they reap the benefits of our policies and go their own way."

"It might be better if we all went our own ways for a while. Let them quit taking us for granted — even as they kick us in the shins."

"Why not bring our military forces back from healthy, well-de-

veloped foreign states and spend that money here at home? Let them take some initiatives for a change and give us the option of telling them to stick it in their ear, instead of vice versa."

### Listening

All this has an impact on Peoria's congressman, who happens to be the Republican leader of the House of Representatives, Bob Michel.

Michel has had a rough time in local meetings, crying as a Reagan loyalist to justify the sanctions that cut off the Caterpillar deal. But he said last weekend that "Unless the administration can get the so-called allies to work with us, we're really just cutting off our nose to spite our face."

"And all those troops we've got in Europe 35 years after the war," Michel continued, "we don't have to have them there. If they don't think any stronger about this [Polish] deal than they seem to, well, you have to think of going back to Europe. America again, but we can't let these countries think we're so used to having our troops there, it's just so much a matter of habit with us, that they can take us for granted."

"I'd like to see us raise that question with them, have Haig or Weinberger raise it with the Germans and with the Japanese, about our troops in Europe and Korea."

If anybody in the Reagan administration, in Bonn or Paris or Tokyo is in doubt about the dangerous direction American opinion is heading, let them listen to the voices from Peoria.

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## What Helps Poland: Words, Sanctions, Packages?

By John Dornberg

MUNICH — It was not all too long ago that Chancellor Helmut Schmidt was saying somberly that East-West détente, or whatever remained of it at the time, "cannot survive a second Afghanistan."

His words were intended as an admonition to the Soviet Union not to interfere in Poland.

It was long assumed hereabouts that Poland would be the litmus test of détente and ousting. The Soviets might stamp all over Afghanistan with impunity and hardly a voice raised in protest. But Poland? No, that would be different.

The somnolence of the holiday season and the balmy clime of Florida's Sanibel Island notwithstanding, the words and the warning have been haunting Schmidt and the West German body politic ever since the advent of the Polish junta.

Schmidt's personal discomfort was no doubt heightened by the fact that military rule in Poland was declared just as he was having

his twice-postponed tête-à-tête with the East German Communist party chief, Erich Honecker, whose criticism of the Polish reform and Solidarity was matched in stridency by no one in the Soviet bloc.

But is the on-going night of the Polish generals a "second Afghanistan" or not?

That question is at the root of the schism between Bonn and Washington that has not been healed, despite the facade of "agreement in principle" that Schmidt and Ronald Reagan tried to project last week.

To be sure, there are some merits to the West German interpretation of events and their argument for keeping calm and cool. And they are predicated on more than Bonn's greater vested interest in the preservation of détente.

Four weeks after the fact, there is still no more evidence than the day it happened of direct Soviet involvement in the Polish coup.

Rather, there is plenty to indicate that Jaruzelski, his generals and the politburo moved when and in the manner they did to forestall that intervention.

### Premature

Granted, this does not make what happened in Poland any less reprehensible or condemnable. But it does lend support to the West German contention that the Reagan administration overreacted and, in a sense, prematurely shot its powder. In continuing to resist U.S. demands for punitive sanctions and various economic embargoes against Moscow, the West Germans are saying, in essence, that Poland "is not yet lost."

But does West Germany's rational assessment of the Polish events also justify approval by inference of a military regime as ruthless and draconian in its methods as any in Latin America?

Hardly. But in a sense that is what West Germany has been doing. While the outcry over Polish military rule has been vociferously impassioned and indignant elsewhere in Europe, the silence here has been excruciatingly vexing.

Washington's overreaction, if that it can be called, is matched only by Bonn's underreaction.

Therein lies the present embarrassment not only of Schmidt and his left-liberal coalition of Social and Free Democrats but of many other West German citizens as well.

Predictably, the discomfort has been roundly exploited by the opposition Christian Democrats, with the result that the "Polish question" has touched off the kind of verbal slugfest at which politicians here seem especially adept.

As usual is Franz Josef Strauss of Bavaria who fired the opening shot by accusing Schmidt of "crawling cowardly on the floor in the face of Communist power politics." He was echoing in the United States, the chancellor of his party's executive secretary, Peter Gloger, deliver the rejoinders. He charged that Strauss "passes up no international crisis to demonstrate his heroism of the larynx."

Such polemics aside, the official muteness has also prompted some nominally in the coalition's camp to speak out more forcefully. Thus, the left-liberal Frankfurter Rundschau asked caustically the other day: "Who has been writing Jaruzelski's speeches? Turkey's Kanan Eken or perhaps Chile's Augusto Pinochet?"

It puts an interesting perspective on things. By far the strongest appeal to the West German conscience came from Heinrich Böll, the Nobel Prize novelist, who jarred the rational and complacent recently

with his announcement: "I too am speechless. But my silence is that of horror and shock at the unspeakable things happening in Poland."

In all fairness, it should be said, however, that if the West Germans are rather remarkable for their muteness, they are all the more extraordinary for their efforts to help Poles materially. Those endeavors, barely reported elsewhere, are unparalleled.

Parcels of food and clothing have been flowing toward by the hundreds of thousands, carried not only by the mails but numerous trucking companies.

There are hundreds, if not even thousands, of private initiatives such as one inaugurated by a Munich woman, Helga Haberl, who has opted for direct aid.

She obtained the names of several needy Polish families, then prevailed on an equal number of friends and acquaintances to "adopt" them and send them regular monthly packages of staples and of items known to be in critically short supply in Poland.

Within almost no time the operation snowballed, and by last week she already had a list of 300 Polish families receiving regular parcels from 300 West German ones, primarily in Munich. It was, no doubt, in reference to such efforts that the Frankfurter Allgemeine Zeitung commented the other day:

"It is legitimate to ask why there have been no demonstrations on behalf of Poland here like the march for peace by 300,000 in Bonn last October. But what other country can match the private and spontaneous aid programs? Those who send parcels are not the kind of people likely to demonstrate on the streets."

It raises an interesting point. At this juncture, what helps the Poles more: Words, sanctions or packages? ©1982, International Herald Tribune.

## What Happened to Cancún?

By Hobart Rowen

WASHINGTON — Remember the North-South summit at Cancún last October? The hopeful expectation at its conclusion was that a round of "global negotiations" in the United Nations would actually begin, leading to more help for the poor countries.

But the disappointing reality is that while the summit may have blurred the sharp edges of hostility between rich and poor nations, so far it has produced nothing concrete, not even a clear timetable on what happens next.

The still unsettled state of rich-nation, poor-nation talks on aid is only one of many uneasy signs of yet another troubled year on the international economic front, among them continued worldwide recession and increasing reliance on protectionist "solutions" to trade problems.

Assistant Secretary of State Robert D. Hormats said in an interview that the Third World countries "have a better sense than before that the real action" to help them will have to come through the existing financial institutions such as the World Bank and the IMF.

"There's still a difference between some developed countries and the developing countries on what global negotiations ought to be, what the mandate ought to be, and what the procedures ought to be — and that still is just not worked out yet," he said.

### Familiar Ring

That sounds pretty much like the U.S. policy line early last year, before President Reagan agreed to go to Cancún — almost as if Cancún hadn't happened. And indeed, if one were to measure it in terms of follow-through, since Cancún, the North-South summit was a non-event.

Why should this be so? Hormats told this reporter that the poor countries "aren't really sure what they want to negotiate. [And] there's no clear understanding of what's to be negotiated." But John Sewell, president of the Washington-based Overseas Development Council, a non-profit Washington think tank dedicated to Third World problems, suggests that the basic reason for the lack of progress is the absence of "a sense of urgency" on the part of rich nations in pursuing the idea of global negotiations.

Sewell thinks that the Reagan administration is missing a great opportunity — even within the context of its own philosophy geared to the private sector, and even acknowledging budget restraints — to formulate what could have been called a "Reagan development policy."

"There is an increasing realization you won't get the rich countries to move in the U.N. format," Sewell said. "But if you believe in the integrity of the international financial institutions like the IMF and the World Bank, you can either say everything is hunky-dory and you don't have to make changes, or you have to come forward with proposals to improve things. I may have missed something, but I haven't seen any U.S. proposals for modification of the IMF or of the Bank."

In fact, the administration next week will issue a Treasury report recommending new limitations on the scope of these agencies, and indicating that the United States will sharply curtail its subsidized aid for the poorest countries through the World Bank's International Development Association.

### New Forum

Yet, at Cancún, Secretary of State Alexander Haig emphasized over and over the Reagan administration's "commitment" to the IMF and World Bank. And he insisted — as Hormats did in the interview for this column — that North-South compromises should be hammered out in those agencies, and not in a debating society like the United Nations.

What it comes down to, in Sewell's view, is whether the United States will allow the IMF and the Bank to play "a role adequate for the 1980s." He believes that if the United States wants to sidestep negotiations in the United Nations, there is still a lot more that it can do and should be doing for the Third World within the IMF, World Bank, and General Agreement on Tariffs and Trade.

Like many other supporters of a free-trading system, Sewell believes that the Reagan administration had one concrete chance to help Third World countries, and blew it, when it failed to stand firm against the imposition of more restrictive quotas on textile imports in the Multi-Fiber Agreement.

Adding it all up, the Reagan administration has in effect turned away from the "global negotiations" at the United Nations, yet is not matching with action its free-market rhetoric supporting greater trade opportunities for the poor nations, nor its "commitment" to the multilateral lending institutions. In fact, its drift is toward curbing the power of these institutions. The result, as former World Bank Chairman Robert S. McNamara says, is creation of the grimmest set of circumstances for one billion people in the poorest countries of Southeast Asia and Africa.

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## Grounding a 'Doomsday Plane'

By William Stimson

SPOKANE, Wash. — A couple of months ago, the newspapers carried stories about President Reagan's first flight in the "doomsday plane," the airplane he would use aloft if there were a nuclear confrontation.

Naturally, the occasion was talked about in the most somber, "God forbid" tones. Still, imagine this airplane: carpeted, leather swivel chairs, interesting gadgets, maps, clocks, note pads, multicolored telephones.

Knowing the military, I'm sure an atmosphere conducive to brisk management and decision has been established. If so, this would be a big mistake.

War is caused by a failure of imagination. National leaders sit in their mirrored palaces, or in tidy war rooms with their gamelike maps and charts, or in the calm of paneled Cabinet rooms, and weigh the next move, with no tendency to reflect on the terrible forces that they can set in motion.

### No Chao

Instead of the horrifying picture of millions of armed men roaming the fields gunning for each other, statesmen see only neatly arranged symbols for divisions and corps on their maps.

Instead of hearing firsthand what a hot-headed adversary has to say to their accusations and threats — the kind of thing that make you

and me hold our tempers in tense situations — statesmen get a "probable response" from a mild professor-type or a heel-clicking aide. The chaos of the real world is represented to them in polished, indexed, annotated, annexed "situation reports."

What is needed is some method of jerking political leaders out of their cocoons while there is still time. Take away their cigars, turn off the heat, turn up the lights, cancel lunch and get them to concentrate on avoiding the ultimate disaster.

A Minuteman missile is narrower than the fuselage of the doomsday airplane, but widened at the bottom and lengthened, it could accommodate the same command post in a vertical configuration — a small Cabinet room on the upper level, a war room with proper monitors and maps below, a command-and-communications center below that.

The space taken up by ladders or elevators from one level to another could be regained if amenities such as leather chairs and kitchen facilities were replaced by folding chairs and foil-wrapped sandwiches — changes valuable on their own merits anyway, I think.

The cold steel walls of the missile's interior should remain uncovered — this is what bomb shelters are like. If some sort of wall cover-

ing is absolutely necessary, for insulation or whatever, I recommend wallpaper made from enlarged photographs of the aftermath of the bombing of Hiroshima.

### Absurdity

The advantage of a missile-borne headquarters is that it would keep the consequences of each decision vividly, starkly before the president and his advisers. An airplane designed to survive nuclear war implicitly suggests that after the nuclear exchange the leader will continue to "manage" the situation — an absurdity that already shows a dangerous failure of imagination.

No conceivable grievance or geo-political adjustment could ever justify resorting to nuclear weapons, which would leave whole populations dead or dying and, by ruining health systems, agriculture and economic networks, probably be only the first of several catastrophes.

We do not want the president and secretary of state to skip past the nuclear exchange and to suppose that they will just go on comfortably spewing decisions from the clouds.

We want them to know that preventing the use of those missiles is their one, all-important job. (William Stimson is managing editor of Spokane Magazine.)

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## Woodside Defers Part Of Australia Project

PERTH — The second and third stages of Australia's largest energy project, an offshore natural gas venture valued at \$8 billion Australian dollars (\$9 billion), will be delayed, Woodside Petroleum, one of the developers, said Tuesday.

Industry sources said Woodside and its partners in the project for extracting gas from Australia's North West Shelf have so far been unable to come to terms with eight Japanese companies who signed letters of intent last year to purchase 6 million tons of liquefied natural gas.

The Japanese companies are reluctant to close the deal in view of the world oil glut, which has depressed petroleum prices and reduced demand for alternative fuels, the sources said.

Woodside said it would put off design and construction work on the second and third production platforms until contracts for sales of liquefied natural gas to Japanese utilities are completed.

The spokesman said the first production platform, now under construction, will be able to provide up to 4 million metric tons of LNG per year as well as supplying natural gas to Western Australia's state electricity commission.

Woodside borrowed \$1.4 billion from a consortium of international banks to fund the first phase of the project. The Woodside spokesman said the deferral will mean a postponement of the company's efforts to raise further funds, estimated at another \$2 or \$3 billion.

The participants in the venture are Woodside, with 50 percent; British Petroleum's BP Petroleum Development Australia Pty. and Standard Oil of California's California Asiatic Oil Co., 16.66 percent each; and Royal Dutch/Shell Group's Shell Development (Australia) Pty. and Broken Hill Pty.'s Hemanite Petroleum Pty. with 8.33 percent each.

Nippon Kokan of Japan is building the production platform for the first phase of the project.

Although Woodside would not say how long the delay will be, industry sources said it would be for at least one year, postponing full production to 1987 at the earliest.

The company spokesman said Woodside is confident the sales contract will be signed and the project will go ahead. "All we are announcing is a deferral," he said.

Doug Anthony, Australia's deputy prime minister and trade minister, said in Canberra that he remains confident the contracts will be concluded reasonably soon. "I appreciate the complexities involved in concluding an export agreement of this nature," he said.

"But I believe the Japanese will adhere to undertakings given to me to strive for an early conclusion of negotiations."

In Tokyo, a spokesman for Tokyo Electric Power, the leader of the Japanese consortium, said talks on a purchase and sales agreement are going well, although the actual signing has taken longer than expected. A spokesman for the Tokyo office of North West Shelf Development Pty. said the contract could possibly be completed by the middle of this year.

The other members of the Japanese consortium are Chubu Electric Power, Kansai Electric Power, Chugoku Electric Power, Kyushu Electric Power, Tokyo Gas, Osaka Gas and Toho Gas.

Meanwhile, Woodside reported

that a test of one of the offshore appraisal wells in the North West Shelf produced encouraging results, though a final assessment must await further testing. The company said the Goodwyn 6 well flowed oil at 2,210 barrels a day on test through a 3/4-inch hole.

## 'Insider' Ban Asked of Bern

ZURICH — The Swiss Federal Banking Commission has called on the government to make insider trading on stock exchanges a criminal offense, a commission spokesman said Tuesday.

Such a move would help prevent conflicts between Swiss banks and U.S. stock exchange regulatory authorities, he told Reuters in response to questions.

Several Swiss banks came into conflict with the U.S. Securities and Exchange Commission last fall when they refused to divulge names of clients which the SEC demanded in connection with investigations into suspected insider share deals.

The banks invoked Swiss banking secrecy law in refusing to divulge the clients' names.

Heinrich Schneider, deputy director of the Swiss Banks' Association, said that making insider trading a criminal offense may be the best way to solve the problems with U.S. regulatory authorities.

The banks' association last week issued a communiqué condemning insider trading and saying Swiss banks are ready to cooperate with U.S. authorities in finding a reasonable solution to the insider trading problem.

Under a legal aid treaty signed with the United States in 1973, Swiss banks are not bound by banking secrecy rules if the activity being investigated by the U.S. authorities is a criminal offense in Switzerland.

## 'Copycat' Computers Expected Soon

By Richard A. Shaffer

NEW YORK — The rapidly growing personal-computer business appears headed in a new direction: Machines made by one company soon may be able to emulate those made by any other.

Such a development probably would cut sharply the profitability of the computers themselves, forcing manufacturers to seek their margins in software, the instruction programs that enable the machines to keep books, print paychecks and play games.

Many observers expected the change to come in about a year, when new Japanese equipment would emulate International Business Machines Corp.'s personal computer. Instead, a U.S. company seems to be taking the first step.

Commodore International Ltd., Norristown, Pa., plans to make a personal computer that can emulate those of Apple Computer Inc., Tandy Corp., IBM and others but that would sell for a much lower price — less than \$1,000 (competitors' models sell for two to four times as much).

Immediate Access

Aided by one of several special circuits plugged into its back, the Commodore machine will be able to read and operate from programs recorded on magnetic disks for Apple, Tandy, IBM or other computers without modification, the company says.

The Commodore machine thus would have immediate access to the largest libraries of financial, text-editing and business programs for personal computers without the need for expensive development on Commodore's part.

"Commodore seems to be moving toward the universal machine concept, which we all expected the Japanese to do first," says Ulrich Weil, who follows the computer industry for Morgan Stanley & Co.

"If Commodore does what it says it will," predicts Mr. Weil, "the hardware side of the personal-computer market will take on a commodity aspect." By that, he means the machines themselves will be comparable in capability and highly competitive in price.

Shipments of the new Commodore machine are scheduled to begin in September, the company says, and the product will be shown for the first time this spring. Commodore is not saying where it

## BUSINESS NEWS BRIEFS

### Olivetti Group Turnover Rose 29% Last Year

IVREA, Italy — Olivetti group turnover rose 29 percent to 2.83 trillion lire (\$2.32 billion) last year from 2.18 trillion in 1980, Managing Director Carlo de Benedetti said Tuesday.

Group profit will be higher than 1980's 104 billion lire, he said. He had forecast in September that 1981 consolidated group profit would rise to 140 billion lire on turnover of 2.8 trillion.

An Olivetti spokesman said parent company turnover last year rose to a provisional 1.36 trillion lire from 1.10 trillion in 1980.

### MGM to Repurchase 33% of Outstanding Shares

LOS ANGELES — MGM Grand Hotels plans to repurchase the equivalent of nearly one-third of its outstanding shares, following authorization by its board to exchange up to 10 million shares of a new issue of redeemable preferred stock for an equal number of outstanding common shares.

The board, which met Saturday in Los Angeles, said the preferred stock would be entitled to cash dividends of 44 cents per share, the same as is now paid on the common stock. Under the plan, which must be approved by both MGM shareholders and the Securities and Exchange Commission, MGM Grand would be obliged to devote at least 75 percent and no more than 90 percent of its net profits each year to the redemption of the preferred stock at \$20 per share.

Financier Kirk Kerkorian, who owns about 50 percent of the outstanding common stock, or 32.5 million shares, has told the company that he would tender at least 5 million shares, MGM said.

### Panel in U.S. Issues Warning to Seabrook Utility

CONCORD, N.H. — The builder of the Seabrook nuclear power plant faces severe financial problems, the New Hampshire Public Utilities Commission said, in ordering the utility to sell some of the plant or face regulatory pressure to delay or cancel one or both Seabrook reactors.

In a ruling decision Monday, the commission said the prospects of bankruptcy for the company, and cancellation for Seabrook II, now 11 percent complete, are "so tangible they cannot be ignored." The commission was sharply critical of Public Service of New Hampshire and New England utilities generally.

That statement led to a sharp decline in the price of the company's stock Tuesday, and commission Chairman Michael Love said he did not mean to imply that bankruptcy was likely. Trading in the stock was halted on the New York Stock Exchange after it dropped \$2.875 to \$12.75 a share. Public Service described as "totally unfounded" the suggestion that it could go bankrupt.

### Cockerill-Sambre Negotiates a Financing Pact

BRUSSELS — Belgium's troubled steel company Cockerill-Sambre has reached a conditional agreement with the government and the country's banks to assure financing through the end of this year, a company spokesman said Tuesday.

Under the rescue program worked out Monday, the banks would reschedule 28 billion francs (about \$718 million) in debt coming due and advance fresh funds totaling 9 billion francs, while the government apparently would guarantee the loans, the spokesman said.

Cockerill-Sambre this week will open talks with labor unions aimed at curbing wage costs significantly over the next several years.

will introduce the machine, but industry sources expect it to appear at a trade fair that begins April 21 in Hannover, West Germany.

The Commodore Model 64 is not an Apple emulator, but it does appear to match the performance of the Apple II computer and it will retail for \$595. A comparable Apple II retails for \$1,650. Sales of the Model 64 are supposed to begin this spring.

The microprocessor inside the Model 64, known as a 6510, is an improved version of the one inside the Apple II, called a 6502. Many Apple programs will run on the Commodore machine if entered from the keyboard.

Tandy Targeted

But Commodore says it has no plans to emulate the Model 64 to use all Apple II software without modification or to read recorded Apple programs. Charles Winter, the company's chief engineer, says such an adaptation could be accomplished at "negligible" manufacturing cost.

Commodore says it does plan to offer a plug-in circuit that will give the Model 64 access to programs written for computers that use Z-80 microprocessors and the so-called CP-M operating system. (An operating system is an under-

lying program that does house-keeping chores for a computer.) Observers at the Las Vegas trade show generally regarded Commodore's planned use of the Z-80 circuit as an effort by the company to capture some of the market for Tandy's Radio Shack line of personal computers.

The Commodore emulator scheduled to become available later this year also will rely on the 6510 microprocessor. Through a slot in its back, the machine will be able to accept other microprocessors, such as the Intel Corp. 8088 used in the IBM personal computer, Commodore says.

The Commodore emulator will be offered in two versions, one with color video display and the other with black-and-white display. Memories of each machine will be able to store and retrieve between 128,000 and 256,000 characters of information.

Some personal-computer industry experts doubt that Commodore can carry out its plans to market emulators. Steven P. Jobs, Apple's chairman and one of its founders, says he is not worried by Commodore's strategy.

"I think the Apple II has a chance of becoming a commodity product," Mr. Jobs said. "Sooner or later, someone will figure out a less expensive way to build a computer that will run Apple programs. But I'm sure we'll still manage to compete, in the same way that Sony still manages to make a profit even though other companies make turntables that will play the same records that Sony turntables will."

Monday, NATO ministers meeting in Brussels decided to block further credits to Poland for items other than food and suspended negotiations on rescheduling Polish debt that falls due this year.



Hans Friderichs

## Poland Seeks Completion Of Debt Pact

FRANKFURT — Senior Polish officials have said Poland is still interested in signing a debt-rescheduling agreement with Western commercial banks for repayments due last year, a Dresdner Bank spokesman reported Tuesday.

But Hans Friderichs, Dresdner management board spokesman, told the officials during a visit to Warsaw Monday that payment of interest due on the debt remains a condition for completing the agreement, the bank said.

Mr. Friderichs' talks, which came at the invitation of the Polish finance ministry and Bank Handlowy, were the first direct contact Western bankers have had with Polish officials since martial law was declared in Poland a month ago.

Dresdner said both sides agreed to further talks, but no date was set. Dresdner is to act as international agent for the \$2.4-billion rescheduling agreement on behalf of the some 500 Western banks.

Poland was due to repay Western banks some \$2.4 billion in principal due on debt in the final three quarters of 1981, representing 95 percent of the total amount due. Banks had agreed to reschedule the debt for seven years, but the signing, which had been set for Dec. 29, was postponed after Poland failed to meet all the interest payments due.

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## U.S. Panel Cites Oil-Royalty Loss

By Robert D. Hershey Jr.

WASHINGTON — The government failed to receive \$650 million in oil and gas royalties it was due last year, according to a special panel of investigators. It said that the loss was due to underreporting by companies operating on federal lands and the inability of the Interior Department to police its "hooray" system of collections.

The investigators also report that thefts of undetermined amounts of oil from government and Indian leases have become "a serious national problem." The panel estimates that 2 to 6 percent of all crude oil produced in the United States is being stolen from oilfields and tank farms.

The investigation was conducted by the Commission on Fiscal Accountability of the Nation's Energy Resources, a five-member body set up by the Reagan administration last July to study long-standing allegations of underpayments and enforcement laxity. The report of the investigating panel was given final approval by the commissioners on Friday.

To deal with the problems involving a royalty system that is expected to generate \$20 billion a year by the end of this decade, the commission has made far-reaching recommendations, including fines of as much as \$10,000 a day for violations. Fines were never imposed before. Only recently, in fact, have those underreporting their production been made to pay interest on late payments.

Preliminary drafts of the panel's work have already spurred action at the Interior Department, where staff members have endorsed nearly all its recommendations.

The administration is expected to announce proposals to tighten the royalty-collecting system within the next few days.

The panel also recommends raising the royalty percentage for new onshore leases to 16 2/3 percent, the level for offshore leases, from the present 12 1/2 percent. The Interior Department staff opposes this change, however, and it is unclear what Mr. Watt will recommend.

In essence, the panel says the Geological Survey has spent too much effort acting as a bookkeeper for the oil and gas industry while virtually neglecting field inspections and other enforcement methods. The panel proposes that the

oil and gas producers themselves be required to do this work. The industry is expected to strongly resist measures calling for more reporting responsibility.

Peter B. Wellish of the Independent Petroleum Association of America said that many of his group's 7,500 members, including some very small operators, would have to add 6 to 10 employees "just to keep track of all these numbers."

The commission acknowledges that many cases of apparent underreporting reflect legitimate differences of opinion on how to interpret federal royalty rules, particularly those involving natural gas, which is still under price control.

Undercollection and theft also have cost states and Indian tribes huge amounts of money, the commission says, and the lack of federal attention to the problem has forced many of them to make their own investigations.

The government returns 50 percent of the collections to the states where the oil and gas is taken. An exception is Alaska, which gets 90 percent. All the royalty money from Indian-owned lands is turned back to the tribes.

## Rate Worries Continue to Depress NYSE

NEW YORK — Prices on the New York Stock Exchange closed lower for the second straight day Tuesday as concern about the outlook for interest rates continued to dominate the market.

The Dow Jones industrial average closed off 2.76 at \$47.70 as declines outnumbered advances by more than two to one. Volume narrowed to about 50 million shares from Monday's 51.9 million.

Analysts said investors remain concerned that recent strong growth in U.S. money supply will cause the Federal Reserve to tighten its monetary policy, pushing interest rates higher.

Hildegard Zagorski of Bache Group Inc. said she does not expect any major improvement in the market at least over the next couple of sessions, and added that she does not look for a significant gain "until interest rates come down."

Fears about the recent growth of the money supply, and particularly about the figures to be released this Friday, which many analysts expect will show a large increase, are keeping downward pressure on stock prices.

Estimates for the rise in the M-1 money supply measure for the week of Jan. 6 range from \$2 to \$10 billion.

Monte Gordon of Dreyfus Corp. said there is concern that continued strong money supply growth will prevent the Federal Reserve from easing monetary policy further and thereby limit the economy's recovery from recession.

The market's attention again focused on IBM and AT&T. Each stock traded more than 1 million shares, with volume leader IBM ahead 3/4 to 57 1/2 and AT&T down one to 59 1/4 to a trading halt late in the session.

In other corporate news, Chrysler Corp. said it increased the price of the Mitsubishi Motors vehicles it markets in the United States by an average 4 percent.

## CURRENCY RATES

Interbank exchange rates for Jan. 12, 1982, excluding bank service charges.

	\$	£	D.M.	F.F.	L.L.	Sw.	S.F.	S.P.	D.K.
Amsterdam	2.517	4.715	109.20	43.125	0.2001	—	—	—	—
Bremen (a)	29.10	7.12	17.225	4.78	3.185	—	—	—	—
Frankfurt	2.2922	4.308	—	39.39	1.848	—	—	—	—
London (b)	1.6728	—	—	4.975	10.898	2.5952	4.263	72.763	2.498
Munich	128.015	2.9010	—	54.19	70.77	—	—	—	—
New York	—	1.0253	0.4275	0.1727	0.0015	—	—	—	—
Paris	5.829	10.925	72.916	—	4.475	—	—	—	—
Zurich	1.6022	3.229	81.29	31.97	0.1577	—	—	—	—
ECU	1.067	0.5672	2.416	4.305	1.3973	2.6771	41.634	1.9322	7.7726

\$	Currency	Per U.S.	\$	Currency	Per U.S.
1.1166	Australian \$	0.894	0.8028	Israeli shekel	15.7
0.0025	Belgian franc	400	0.0045	Japanese yen	33.35
0.0023	Belgian franc	42.85	3.5233	Korean won	0.0014
0.0093	Canadian \$	1.1714	0.4449	Malay, Singapore	2.375
0.1327	Danish krone	7.4602	0.1707	Norw. krone	4.8356
0.2249	French mark	4.408	0.1148	Phil. peso	0.0255
0.017	Greek drachma	80.775	0.0151	Port. escudo	64.479
0.1773	West German \$	5.7755	0.004	Saudi riyal	3.4265
1.538	Irish £	0.6592	N.A.	S.W.R.	—

(a) Commercial franc. (b) Amounts needed to buy one unit. (\*) Units of 100. (c) Units of 1,000.

## Martin Nominated To Fed Reserve

Los Angeles Times Service

WASHINGTON — President Reagan has nominated Preston Martin, a California businessman, as vice chairman of the Federal Reserve Board, a move that places him in line to assume the chairmanship.

The appointment of Mr. Martin, which had been expected, gives the board a pragmatic executive who has never been identified with monetarist theories about strict control of the money supply.

The 58-year-old former developer served in the Nixon administration from 1969-72 as chairman of the Federal Home Loan Bank Board.

The White House said Monday that Mr. Martin would serve a 14-year term beginning Feb. 1 as a member of the Fed's Board of Governors. He would serve as vice chairman for four years, period unless he moves up to become chairman. He is scheduled to replace Frederick Schultz, whose board term expires Jan. 31.

Mr. Martin's appointment is expected to be confirmed by the Senate. Paul Volcker, the current Fed chairman, is serving a term that expires in August 1983.

## Australian Wheat Outlook

Reuters

CANBERRA, Australia — Australia's 1981/82 wheat production will total 16.1 million metric tons, the Bureau of Agricultural Economics forecast Tuesday, up from its earlier forecast of 15.3 million tons and last year's drought affected 10.9 million.

## Nameless Forex Trade

Reuters

TOKYO — The principle of confidentiality will be adopted Feb. 1 in money broking activities in the Tokyo foreign exchange market, a spokesman for the market practice committee said Tuesday. He said the committee will no longer require money brokers to disclose the names of banks making give or take orders before a transaction is agreed.

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## COMPANY REPORT

Revenue and profits, in millions, are in local currencies unless otherwise indicated

	1981	1980
4th Quar.	1981	1980
Oper. Net	36.2	36.6
Per Share	1.34	1.36
Net Income	37.0	30.5
Per Share	1.38	1.15
Year	1981	1980
Oper. Net	124.0	114.2
Per Share	4.41	4.02
Net Income	115.5	112.5
Per Share	4.28	4.12

**WEEKLY NOTIFICATION COMPTREND II A MANAGED COMMODITY ACCOUNT**  
**Equity on January 1, 1981: \$100,000.00**  
**Equity on January 7, 1982: \$239,558.89**  
**after all charges**

For information call or write Royal Fraser, or Ian Scrimshire, TAPMAN: Trend Analysis and Portfolio Management, Inc., Wall Street Plaza, New York, New York 10005, (212) 269-1041, TELEX BML 667173 LW.

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REPUBLICA DE CHILE

## NATIONAL AND INTERNATIONAL PUBLIC BIDDING

**BID FOR SHARES OF COMPAÑIA NACIONAL DE TELEFONOS S.A. CONATEVAL AND COMPAÑIA DE TELEFONOS DE COYHAIQUE S.A.**

Corporación de Fomento de la Producción CORFO (Development and Production Corporation) hereby invites national and international investors interested in presenting offers for the purchase of the following shares.

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  - Compañía de Telefonos de Coyhaique S.A. (Coyhaique Telephone Co.) (per se and in behalf of Entel) 245,721 shares (59.93%)
- </



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22%	23%	24%	25%	26%	27%	28%	29%	30%	31%	32%	33%	34%	35%	36%	37%	38%	39%	40%	41%	42%	43%	44%	45%	46%	47%	48%	49%	50%	51%	52%	53%	54%	55%	56%	57%	58%	59%	60%	61%	62%	63%	64%	65%	66%	67%	68%	69%	70%	71%	72%	73%	74%	75%	76%	77%	78%	79%	80%	81%	82%	83%	84%	85%	86%	87%	88%	89%	90%	91%	92%	93%	94%	95%	96%	97%	98%	99%	100%																						
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**MEMO FROM:**  
**INTERNATIONAL HERALD TRIBUNE**

**Subject: 1982 Pocket Diary**

*We would like to thank our many readers who purchased the 1982 IHT Pocket Diary. We regret that, due to the unexpectedly enthusiastic demand, we were not able to fill all orders.*

*Checks received after December 16 are being returned with our apologies.*

*Next year we will, of course, increase the print run in the hope of satisfying all requests.*

*In the meantime, many thanks and best wishes for a prosperous 1982.*

**BrUCE SINGER**  
**Special Projects Editor**



## AT&T Settlement Caught Up in Court Dispute

From Agency Dispatches  
WASHINGTON — The settlement of the U.S. antitrust case against American Telephone & Telegraph was cast into uncertainty Tuesday as a jurisdictional dispute erupted between two federal courts.

The judge who presided over the government case against AT&T refused Tuesday to dismiss the case until he has had a chance to determine whether the settlement, announced last Friday, is in the public interest.

The ruling by U.S. District Court Judge Harold Greene came a day after a federal judge in New Jersey said the plan was in the public interest and approved it after a 30-minute hearing.

Judge Greene told lawyers for the Justice Department and AT&T

Tuesday to resolve the jurisdictional dispute and bring the terms of the settlement worked out between them to him. He added, however, that the settlement "appears to be reasonable and in the public interest."

### 1956 Decree

The Justice Department and AT&T had brought the settlement to Judge Vincent P. Biunno first because the 1956 consent decree barring AT&T from certain activities had been entered in New Jersey. The settlement calls for the lifting of those restrictions, and the divestiture by AT&T of 22 operating companies.

The Justice Department and AT&T had asked Judge Biunno to simply transfer the entire matter to Judge Greene.

But Judge Greene accused both sides of circumventing proper legal procedures in submitting the settlement proposal to Judge Biunno's court.

He said it was up to the court that heard testimony on the case to decide the issue. The trial began 10 months ago in his court.

Judge Greene warned at one point that if the way were not cleared for him to review the settlement's terms, he might resume

trial of the antitrust case, and might even expedite the proceeding.

He said he is suspending the trial and asked lawyers for both sides to submit legal papers that would allow a public airing of the terms of the settlement.

AT&T and the Justice Department had agreed as part of the settlement to allow outside parties to testify on whether the break-up plan was in the public interest. Under Judge Biunno's approval, such public comment probably would have been ruled out.

Judge Biunno said Monday that the half-hour hearing in his court together with some materials AT&T and the Justice Department filed last year were sufficient to make the determination that the settlement was in the public interest.

His action, however, caught the Justice Department by surprise, officials acknowledged Monday night.

Justice Department and AT&T officials said after the ruling Monday that Judge Greene had no choice but to dismiss the case when both parties voluntarily agreed to end it.

A Congressional backlash to the

government's settlements with AT&T and International Business Machines Corp. meanwhile has intensified, and one key senator raised the possibility the agreements could be overturned by Congress.

### Congressional Concern

Sen. Robert Packwood of Oregon, the Commerce Committee chairman, said Monday that the settlement removes the possibility of long-distance fees subsidizing local telephone rates.

"If you want to continue to subsidize rural and residential rates, you'll have to have legislation," said Sen. Packwood, a Republican.

"I want to continue the subsidy," Sen. Packwood was the primary sponsor of telecommunications legislation passed in a lopsided Senate vote in October that would have placed restraints on the Bell System, forcing AT&T to establish a wholly owned subsidiary.

### Comex Lowers Some Margins

UNITED PRESS INTERNATIONAL  
NEW YORK (UPI) — The Commodity Exchange Inc. Tuesday said it was reducing the speculative margin requirements for silver and copper futures effective with the opening of trading Wednesday.

The margin on a 5,000 troy ounce contract of silver will be lowered to \$2,000 from \$3,000 while for a 25,000 pound contract of copper margin will be lowered to \$700 from \$900.

## GMAC Seeks \$250 Million For 10 Years

By Donald Woutar  
Los Angeles Times Service

DETROIT — The United Auto Workers union, opening an unprecedented round of early collective bargaining, has vowed not to give up as much in negotiations with General Motors and Ford Motor as it gave up with Chrysler.

But UAW President Douglas Fraser pledged Monday that the union would negotiate "creatively" with Ford and GM in an effort to reach quick agreement on a new, leaner labor contract.

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The UAW has set a Jan. 23 deadline for the talks. That is the date the union's bargaining councils at GM and Ford are scheduled to meet in Washington, where they will consider a tentative agreement on concessions if one is reached.

A UAW membership ratification vote would follow.

Bargainers for Ford, GM and the UAW, meeting Monday with reporters, talked of their "common suffering" and said they were prepared to consider almost anything to attain their goals: Lower labor costs for the companies and increased job security for the workers.

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"We are prepared to discuss almost any item," said Alfred S. Warren, the industrial-relations vice president who heads GM's

bargaining team. "I think that indicates just how critical the situation is."

But Mr. Fraser drew the line at extending a Chrysler-style contract to Ford and GM. Last year, Chrysler workers accepted a freeze in wages and cost-of-living adjustments as part of the federal rescue plan for the automaker, and workers now are employed at Chrysler for about \$2.50 an hour less than for Ford and GM.

"There is no Chrysler in Ford's future," Mr. Fraser said after the union's first sessions with Ford. He said the same thing about GM after meeting with that company later in the day.

Peter Pestillo, Ford's vice president of labor relations, said of Mr. Fraser's remarks, "I see no impediment. ... This isn't going to be a tussle. This is a common suffering."

Mr. Fraser's remarks suggested that, as expected, bargainers will focus heavily on fringe benefits as they seek to narrow the estimated \$8-an-hour gap between the labor costs of U.S. and Japanese auto manufacturers.

The companies are expected to demand contributions by workers to medical and pension plans (the companies now pay the full amount) and possibly the outright elimination of the nine annual "paid personal holidays" won by the union in 1979.

If wage and cost-of-living freezes cannot be won, management is likely to ask for a less generous formula to compute the cost of living or for some combination of deferrals of such raises and postponement of the effective date of annual raises in base wage rates.

The union, Mr. Fraser reiterated Monday, wants some form of job security to prevent further erosion of the auto work force. The Big Three companies now employ about 750,000 blue- and white-collar workers in this country, down 25 percent from the peak of 1 million in 1978.

The union is also expected to discuss profit-sharing, something Ford and GM have all but offered in public statements; limits on the number of auto parts the companies buy overseas, and a voice in corporate decision-making, especially on plant closings.

DETROIT — In an effort to spur sales, Ford Motor and American Motors Corp. are launching rebate offers of up to \$500 to buyers of some models.

The Ford program, announced Tuesday and running up March 13, offers up to \$400 — in the form of a rebate equal to 5 percent of the base sticker price — to buyers of 1982 Ford Escorts or Mercury Lynxes. The automaker said it will also will pay for most maintenance for the first two years or 24,000 miles, whichever comes first.

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## Ludwig Abandoning Brazil Dream

From Agency Dispatches  
RIO DE JANEIRO — Fifteen years ago, Daniel Ludwig, the U.S. shipping magnate, paid a visit to the Amazon jungle, liked what he saw, and bought a piece half the size of Belgium.

Over the next few years he poured in \$1 billion to realize his ambition of turning the virgin forest into a profitable wood-pulp enterprise. But the dream project slowly became a millstone, and Mr. Ludwig, 84 years old and in ill-health, is handing over his jungle kingdom to Brazil.

Under a transaction being worked out in Rio de Janeiro, Brazil and New York, a group of Brazilian companies, backed by the government, will take over Mr. Ludwig's Jari project, named after the river it straddles.

In return, according to business sources linked to the negotiations, the Brazilians will assume the project's debts and within a few years begin paying Mr. Ludwig a return on his investment.

Mr. Ludwig bought his tract of 4 million acres (1.6 million hectares) in 1967. It lies just south of the equator, part in the lower Amazon state of Para and part in the neighboring territory of Amapa.

The U.S. billionaire, who shrinks from publicity, made his fortune as one of the first builders of large oil tankers. His business empire also includes a fleet of merchant ships, oil wells, refineries and substantial property holdings.

His main aim at Jari was to produce wood-pulp for paper, a commodity which he believes will become increasingly scarce.

The Jari project sought to exploit the forests without wreaking ecological havoc. In recent years, ecologists have become concerned at uncontrolled tree-felling in the Amazon Basin. Developers chop down timber, burn the remaining undergrowth and leave infertile desert in the place of lush jungle.

In contrast, the Jari project attempted to plant trees and to farm them efficiently. Mr. Ludwig's men cleared 250,000 acres (100,000 hectares) of land and planted pines, eucalyptus and the gmelina, a quick-growing tree from Asia.

Current timber production is 1.2 million metric tons a year and should grow to 1.34 million in 1986, according to a report issued by businessmen negotiating the transaction.

In a move typical of his drive and determination, Mr. Ludwig bought a pulp-processing plant in Japan and towed it round the world and up the Amazon to the heart of Jari. It now produces 240,000 metric tons of pulp a year.

Other undertakings included a large rice-growing project, the establishment of herds of 6,400 water buffalo and 4,900 cattle as well as smaller agricultural plants.

The project had one stroke of luck. Jari turned out to contain an estimated 150-million-metric-ton deposit of kaolin, a white clay used in making porcelain and paper.

Current production is about 150,000 metric tons of processed kaolin a year.

To serve all these operations, Mr. Ludwig built 60 kilometers (40 miles) of railway, 500 kilometers (300 miles) of main roads, 4,000 kilometers (2,500 miles) of secondary roads, six small towns, three airfields, and a port.

Despite his determination and energy, Jari has yet to pay a dividend on the billion dollars Mr. Ludwig put into it — \$650 million of investment from his business empire and \$350 million in foreign credits.

The tropical Amazon soil turned out to be much less fertile than expected, cutting yields, and the Asian trees adapted less well than hoped. Mr. Ludwig, who, according to newspaper reports has used more than 20 project managers in 15 years, complained that the Brazilian government was hindering Jari with bureaucratic maneuvers.

His ownership of such a huge tract of land also provoked attacks from some politicians, who demanded nationalization of the project.

But according to the sources, it was his failing health more than any other factor, which finally persuaded the aging billionaire to part with his pet project.

Mr. Ludwig said to be confined to bed in New York, put the problem in the hands of a long-time friend and associate, Augusto de Azevedo Antunes.

Mr. Azevedo Antunes' plan, which has yet to be finally approved by the government, is for the formation of a \$100-million Brazilian company to take over Jari. His own Companhia Auxiliar de Empresas de Mineracao (Caem) will pay \$40 million for the kaolin deposits while 20 of Brazil's biggest companies will take a \$3-million stake each.

The government's part, through the state-controlled Banco do Brasil, will be to refinance debts of \$180 million owed on the wood-pulp plant.

According to projections sent to the 20 potential investor companies and published in the Brazilian press, the wood-pulp operation will lose \$32 million in 1982 but by 1986 should be making a profit of \$34 million.

The Group's net operating profit before provisions for the year ended 31 August 1981 at R266.2m was 2.7 per cent below the R273.7m earned in the previous year. This reflects the fact that the demand for platinum group metals from Rustenburg held up longer than earlier anticipated and it was not until the last quarter of Rustenburg's financial year that a sharp decline in that demand occurred. The demand for platinum from Rustenburg at its price of \$475 per troy ounce has continued to fall during the current year, a fact to which I refer in detail later in this review.

The provision for renewals and replacements was R33.0m (1980: R33.7m) and the liability for taxation together with the provision for tax normalisation was R113.2m (1980: R114.4m). Profit after taxation was therefore R120.0m or 95.8 cents per share compared with R125.6m or 100.2 cents per share in 1980. Dividends were increased by 12.5 per cent to 45 cents per share and R63.6m was transferred to reserves.

These results reflect a 9 per cent increase in revenues from the sale of metals primarily as a result of the higher price received for platinum during 1981 together with a higher volume of sales of nickel and copper. Working costs increased by 21.8 per cent as compared with 1980. The largest component of this increase arose from the wage adjustments granted to employees.

The inflow of funds to the group after provision for taxation and payment of dividends during the year amounted to R103.6m. Expenditure on mining assets amounted to R48.7m. R31.0m was invested in Matthey Rustenburg Refiners, working capital was increased by R19.0m and R4.9m was spent on feasibility studies and on an increase in stores and materials.

Platinum is a cyclical industry and Rustenburg has deliberately over the last few years strengthened its financial position to be better able to endure the lean periods such as that at present prevailing in the market. At 31 August 1981, Rustenburg had net current assets (including cash of R106.2m) of R82.8m.

### THE PLATINUM PRICE

The free market price of platinum oscillated between a high of \$722 in September 1980 and a low of \$390 in August 1981. Throughout the year Rustenburg's published price for platinum was \$475 per troy ounce. The free market price fell below Rustenburg's price for the first time during the year in January 1981. It then fluctuated around Rustenburg's price until May when it again fell below \$475 and it remained in a range between \$462 and \$380 for the rest of 1981.

This behaviour of the free market price of platinum was not entirely unexpected as the earlier hopes of a recovery in the economies of the developed industrial countries of the Western world had faded. That and the very high interest rates which prevailed as a result of policies aimed at reducing inflation particularly in the United States of America and the United Kingdom but also generally elsewhere, depressed the demand for platinum both from Rustenburg's traditional customers and investors and speculators alike. The risk, to which I referred last year, that significant quantities would be sold back at the free market price to users from the latter, thus came about and is continuing.

Platinum has not been alone in this as all precious metals fell from favour to more or less the same degree as investors and speculators switched to other avenues of investment. Indeed the free market prices of platinum and gold moved in tandem throughout the year though the free market price of platinum has now been below that of gold more or less continuously since November 1980, whereas it has normally been higher by some 30 per cent. This seems to reflect the continued emphasis on the monetary facet of precious metals and to ignore the fact that platinum is also a strategic industrial metal with a proportionately larger base for its industrial usage.

### AUTOMOBILE INDUSTRY

The level of automobile sales by American manufacturers failed to show any marked improvement and in fact for the first eleven months of 1981 was a little over 4 per cent below the corresponding period in the previous year. As a consequence the demand for platinum for use in catalytic devices on American automobiles fell below that of the previous year. This fall was exacerbated by technical advances which diminished the amount of platinum group metals needed on particular models to meet the current emission control standards. In contrast, sales of Japanese automobiles continued at a high level.

The United States automobile industry has now had three bad years in succession and whilst it is difficult to see an immediate change for the better in its fortunes there is evidence of a growing pent-up demand in North America as a result of the increase in the average age of the automobile in use there. This should sooner or later be translated into purchases of new cars and obviously a fall in the rates of interest would further encourage that to come about.

Rustenburg has also entered into contracts with automobile manufacturers elsewhere and is due to begin to supply metal under the first of these before the end of the current financial year.

The extent of the future demand for platinum from the automobile industry in the years that lie ahead remains difficult to assess. Certainly the trends in the United States of America towards smaller cars and diesel-engined automobiles have continued and the automobile manufacturers will probably continue to make technical advances whereby they need smaller

amounts of platinum group metals to meet the pollution control standards for any particular car. Congressional hearings are at present being held into what, if any, amendments of significance should be made to the currently prescribed standards. It would be imprudent to comment until the outcome is known except to say that there have been significant benefits in America and elsewhere from the imposition of these regulations. It is also not yet known with certainty what standards for pollution control will apply in 1984 when they are due to be applied to heavy duty vehicles and finally whether standards will be imposed for diesel-engined vehicles. Controls in respect of the level of particulate emissions from the latter are likely to become an increasingly important issue. To this end research and development work is being carried out by Johnson Matthey Incorporated in America who have already made substantial progress towards the elimination of particulates from diesel exhausts using a platinum catalyst.

The use of platinum as a catalyst either on heavy duty or diesel-engined vehicles would result in a substantial increase in demand. It remains, however, likely that as time passes increasing quantities of platinum will be recovered from converters from scrapped automobiles but supplies from that source are likely to be very sensitive to the free market price.

### JEWELLERY

The net imports of platinum into Japan increased substantially during Rustenburg's financial year to 1 139 000 ounces. This was 37 per cent higher than the previous year. The demand for

likely to be somewhat in excess of R80m financed equally by Johnson Matthey and Rustenburg. It is, of course, a matter for regret that this figure of the final cost has had to be regularly revised upwards but when the point is reached where this new refinery can treat the whole of Rustenburg's production (which is anticipated in April 1982), considerable savings in terms of the overall refining costs and a higher level of recovery should be realised.

### EMPLOYMENT PRACTICES

Further progress was made during the year towards an integrated wage scale when another significant wage increase was granted. Wage increases granted over the past three years to our black employees have, in fact, amounted in the aggregate to 113 per cent. It is therefore pleasing to be able to record particularly in the present market circumstances, that the gains in productivity during the same period have also been substantial.

Compared to 1974, the mill throughput for Rustenburg Platinum Mines in 1981 increased by some 30 per cent, whereas the total labour complement actually decreased by about 8 per cent over the same period despite the fact that in the interim Amandelbult Section was brought into production and developed as a major mine.

It has, I regret to say, not yet proved possible to reach agreement with the Mineworkers Union on the introduction of changes to the organisation structure on Rustenburg mines to allow better utilisation of its human resources. As the

implementation of such changes is both desirable and in time inevitable, it would seem to me to be in the interest of all the parties involved to move forward now rather than later. The proposals that Rustenburg put to the parties concerned were formulated on a basis designed to safeguard the interests of all its employees.

OUTLOOK  
The demand for platinum continues for a wide spectrum of usage though not surprisingly at a somewhat lower rate in the light of the recession in North America and Western Europe. The present business is being conducted predominantly on the basis of the free market price and our customers have reduced their take from Rustenburg to their contractual minima. The result has been a very considerable fall in Rustenburg's sales in the current year to date and this is likely to continue for as long as the free market price remains substantially below Rustenburg's price. It is thus vital that the balance of supply and demand be re-established and Rustenburg has therefore already adjusted downwards its level of production at the Rustenburg, Union and Amandelbult mines. This has been done on the basis of natural wastage and will therefore have a cumulative effect.

It is unfortunately impossible to gauge the quantities of platinum available for delivery at the free market price and even though I suspect that stocks of metal held by speculators and investors may have been substantial in June 1981, they will have decreased significantly since and indeed the reduced level of known stocks tends to corroborate that view. If that is so, this absorption of metal held temporarily in the hands of those who are neither users nor more permanent holders of platinum will prove once it is over to have been a healthy development for the industry though the cycle may recur in the future. The liquidation of stocks held by others than the producers is primarily motivated by the desire to realise cash to be invested elsewhere and consequently the price realised for the platinum appears to be a lesser factor. For the present, therefore, there seems no advantage to be gained by Rustenburg in matching the free market price, as that price would seem likely only to fall further and it is unlikely that Rustenburg would sell significantly larger quantities.

Rustenburg's profits for the first half of this year are likely to be severely lower than last year and the same is true for the year as a whole and indeed until either a better balance of demand and supply is established at Rustenburg's price or until there is an economic recovery in the United States of America and Western Europe.

### GENERAL

I wish to place on record my appreciation to Johnson Matthey Public Limited Company our sole marketing agents and to all both at Head Office and on the Mines for the work they put in during the year under review.

Johannesburg  
7 January 1982

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E. M. Bowling, Sales & Marketing



## U.S. COMMODITY PRICES

## Chicago Futures

[illegible]

<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Settle</b>	<b>Cng.</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Ser</b>
<b>BRITISH POUND</b>								

[illegible][illegible]

	High	Low	Close	Change
14541 Ten. Gov	87 1/4	86 3/4	87 1/4	+1/8

	64990	The N A	\$23%	23	+4	
	8170	For Sh	11%	11	-1	
	8110	Tor B	11%	11	-1	
	4271	Vickers A	9%	9	-1	
	4272	" B	9%	9	-1	
	1741	Trinity	RPA	12	13	+1
	1742	" B	11%	11	-1	
	7414	TRC Plc	PLN	22%	23	+1
	2295	Wm J	11%	11	-1	
	22959	Turbo	64%	65	+1	
	8200	Union Gas	F A	9%	9	-1
	8200	United Gas	SF4	9%	9	-1
	230	Unl Addres	11%	11	-1	
	4900	K Cess	A	15%	15	-1
	1550	Western	11%	11	-1	
	1550	Westpac	ST	18%	18	-1
	330	Westmin	26%	26	-1	
	5124	Whiston	50%	50	-1	
	2670	Woodco	A	13%	13	-1
	5134	Wynd	A	13%	13	-1
		Total Sales	4,146,570 shares			

## Montreal Stocks

**Closing Prices, Jan. 11, 1982**

Quotations in Canadian funds.  
All currencies unless marked \$

	High	Low	Close	Chg.
12-1				
12-2				
12-3				
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3499	Bank Mont	\$11%	23	23%	
1145	Can Bank	82%	11	71	+1
1145	Can Bank	82%	11	71	+1
1145	Can Bank	82%	11	71	+1
550	Imasco	51%	49	41	+1
1	Bank of Montreal	51%	49	41	+1
720	Power Corp	51%	16	14%	+1
1	Bank of Montreal	51%	16	14%	+1
3540	Strothers A	83%	30	30	-1

Total Sales 652,675 shares

3-271 1015 075 1003.

	High	Low	Close (Bid-Asked)	Ch.
<b>SUGAR</b>				
Mar	1,910	1,890	1,902 1,907	+ 2
May	1,957	1,923	1,950 1,952	+ 2
Aug	N.T.	N.T.	1,960 1,975	+ 2
Oct	2,020	2,005	2,020 2,025	+ 2
Dec	2,052	2,030	2,050 2,055	+ 2
Mar	N.T.	N.T.	2,030 2,040	+ 3
May	N.T.	N.T.	2,020 2,040	+ 3
Oct	N.T.	N.T.	2,080 2,090	+ 2
752 lots of 50 tons. Open interest: 8,477				
<b>COCOA</b>				
Mar	1,318	1,299	1,316 1,317	+ 1

86.39	86.42	86.39	86.45	+13	Oct	70.35	70.95	70.85	70.95
			86.44	+57	Dec	71.35	71.97	71.90	71.95
sales 28,627. Prev. sales 28,114.					Mar	73.20	73.20	72.90	72.95
a. through company last 73,842, net 417					Prev. sales 4,643				

[illegible]

	CmRLKsg	Absconite	Snapseed Ind
	CsmLgn	Mead pfs	Shiloh
-20	CommsW	MexicoPd	Smithville
-18	CompGw	Con	South
-16	CompHly	MileCo	SouUnCo
-14	Cracker Not	Mobile	Sevier Forest
-12	Davco Cast	MadMarch	Stoddling
-10	Davco Pk	MadMarch	Summit
-8	DvYPL p/E	Mont Pon	Texas Inst
-6	Dean Foods d	NorAmrc &	TW/Corr
-4	Deer Creek	Metro	UAC Inc
-2	DryadPst	NBIS n/a	Union
0	EashAirL	NCH Cor	UsEn Res
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4	EmeryS	NoIdem	UTPL 2,3d
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8	FMC Co pt	NorMacScp	Varco n
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**INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, JANUARY 13, 1982**

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## Slalom Victor Stenmark Raises Own Cup Record

United Press International  
BAD WIESSEE, West Germany — Ingemar Stenmark of Sweden bettered his own World Cup slalom record with his 64th cup triumph by clocking one minute, 38.96 seconds in a slalom race here Tuesday.

Finishing third in 1:39.76, American Phil Mahre maintained a healthy lead in the overall cup standings; Austrian Franz Gruber was second with a 1:39.33 clocking.

"Slalom used to be easier for me than giant slalom," said the 25-year-old winner, who scored his 63rd cup victory in a giant slalom at Morzine-Avoriaz, France, Saturday. "Now it's hard in both."

But... Mahre said he was slightly disappointed with his third place. "It's always good to be among the top three — it's good for your confidence," said Mahre. "But you always want to be No. 1."

Mahre's twin brother Steve placed eighth after the first 56-gate run. But he fell in the second heat, which was slightly longer with 61 gates, and did not place.

Weather conditions for Bad Wiessee's first-ever World Cup event were far from ideal: Rain and snow fell, and fog engulfed the course. But the skiers said they liked the run despite the hard snow.

"It's the first time I've skied here and I like the piste very much," commented Gruber, who said he has more self-confidence this season than last year at Kitzbuehl, where he won the first leg but did not place.

Having won Tuesday's first run, he said he "thought the same thing would happen... but I've skied quite a few World Cup races now, so I wasn't too excited this time."

Stenmark, making tight turns through the course, a technique that gains him speed but can be dangerous, said he felt his second run — which he won, to move up from third — was fast enough to carry the day. "I could have skied cleaner," he remarked, "but I knew it would be good." He added he thought the hard course was "ideal for a slalom."

But Bad Wiessee, a 620-meter-long (about 2,045 feet) piste with a drop of 195 meters, took its toll: Only 46 of 98 starters placed.

Mahre, who said he was looking forward to the World Championships at Schladming, Austria, at the end of the month, said he would not ski the downhill there but does plan to race a downhill this week at Kitzbuehl.

"I'm very relaxed," he grinned. "Today I put too much pressure on the tip of the skis, especially at the top of the hill, but I skied well at the bottom."

Andrew Wenzel of Liechtenstein finished fifth with a time of 1:40.70 behind Italian Paolo de Chiesa's 1:40.56. Wenzel moved up from fourth to third place in the cup standings, with 65 points, three clear of Joel Gaspoz of Switzerland.

Stenmark said he had overcome a certain loss of interest in the sport at the end of last season. "Now everything's the same as it was before," he said. "I want to win the World Cup slalom and giant slalom, but my main goal is Schladming."

He was second in the league in that category. Before the current season, Kevin Longhery, who is in his first year as coach of the Hawks, didn't know what to expect from his center. With Rollins in his lineup alongside Dan Roudfield, a strong defender and one of the NBA's premier power forwards, Longhery knew he would have one of the most intimidating front-court combinations in the league.

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During the early part of the season, the pain Rollins was experiencing was obvious. He would grimace as he crouched to pounce and block an opponent's shot. And after several minutes, Longhery was often forced to remove his center from the game because Rollins was in such pain.

Before the Hawks defeated Milwaukee last Friday — when the Bucks' Harvey Catchings tipped the ball in the Atlanta basket in the final seconds — Rollins was averaging only 18.3 minutes a game.

Signs of Change Recently, however, that has shown signs of change. In the Hawks' last four games Rollins has averaged 21.3 minutes — and the extra time has shown in both his own performance and his team's results.

Rollins has blocked 17 shots in his last four games — including eight against New York Saturday — and has accounted for 25 rebounds. And, more than is shown through statistics, his presence has forced the opposition into poor shooting nights.

The Bucks shot only 40 percent Friday and the Knicks hit 42.7 percent the next night. Cleveland, which played the Hawks last week, shot only 45.5 percent. Rollins himself has been shooting 64 percent in his last four games.

Partly thanks to Rollins' efforts, the Hawks have won five of their last six games.

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## The Luck of the Draw and Seeds of Discontent

By Rob Hughes  
International Herald Tribune

LONDON — Come Saturday, millions of TV and radio sets around the world will be tuned to a fair-haired, clean-cut boy who, at 7 p.m. Madrid time, will officially draw the placings for next summer's World Cup.

It is considered so momentous an event that more 50 countries will transmit the proceedings

### SOCCER SCENE

"live" from the Palacio de Congresos y Exposiciones. But however innocent the hand of H.R.H. Felipe de Borbon, Prince of Asturias, and however closely drawn the cloak of protocol, there are those who see it as a front.

The draw, many believe, has already been carved up along commercial and political lines. To their minds, the young royal hand descending into the pots normally used for the Spanish lottery will merely decide the order of matches in six pre-determined groups.

Naturally, the powers that be refuse that. Right to the 11th hour, they insist that even the top six seedings are no *fait accompli*. According to officialdom, the organizing committee for the FIFA World Cup will meet on Friday and again Saturday morning "in order to study and fix the guidelines and features of the draw."

Leaks "Fix" is an unfortunate word, perhaps a loose translation from the original Spanish. But it is FIFA's translation.

Some of the leaks and the acrimony that preempts the draw are also out of the ruling body. Those leaks are so firm that even nations seeded quite low have arranged accommodations for their teams, while others who feel ill-favored are making loud protests.

We shall see, this weekend, who has been crying in the wind. Not all of it is charade. European members of the International Federation of Football Associations met in Zurich last month and announced their recommendation of the seeding distribution as follows:

First seeds: Spain (to play in Valencia), Argentina (in Alicante), Brazil (in Seville), West Germany (in the northern Asturias region), Italy (in Vigo) and England (in Bilbao).

Second seeds: The Soviet Union, Czechoslovakia, Hungary, Yugoslavia, Poland and Austria.

Third seeds: France, Belgium, Scotland, Northern Ireland, Chile and Peru.

Fourth seeds: Cameroon, El Salvador, Honduras, Algeria, Kuwait and New Zealand.

Instant uproar. The seeds of discontent came, unsurprisingly, from members of the third grouping — from France and Belgium and Scotland, who all

take exception to the privileged position of England. Why, they ask, should England, which had not previously won through the World Cup final qualifying round in 25 years, be honored above themselves?

Why England, which scrambled ignominiously through this time? England, which won twice in nine international last year?

Belgium, the most robust in its protest, is, after all, the 1980 European Championship runner-up, and claims to form warrants a top seeding — which gives a team the advantage of not having to travel across Spain during the first three matches.

The answers are double-barreled. "How could we explain that we have five ex-champions, and that one of them [England] is not seeded?" demanded Pablo Porta, president of the Spanish soccer federation.

"On sporting criteria," said Hermann Neuburger, the West German who chaired the meeting, "Belgium, Poland and Czechoslovakia all had a claim to a seeding place. We wanted to fulfill Spain's wishes as host country. And the Spanish want England to play in Bilbao for security reasons."

Suddenly a new penny drops: security reasons. England, not on merit but because of the volatile reputation of her hooligan followers, is by Neuburger's suggestion, to grace the seedings.

With that horrifying implication, I must reiterate, as FIFA officials keep on doing, that the afore-

mentioned seedings are recommended. The organizing committee will "fix" seedings this weekend, before the young royal hand performs for television.

Meanwhile, with bated breath, we wait to see how the parent body approves the thinking of its European membership. And as we wait, Madrid prepares the ground.

The mood was set last Sunday, a hysterical afternoon in which 14 players were booked and three sent off as Real Madrid maintained its Spanish League challenge with a 3-2 victory in the stadium of its jealous neighbor, Atletico de Madrid.

Debts Atletico led, 2-1, until eight minutes from the end. Uli Stielicke equalized with a penalty. In the violent aftermath, nine Atletico players were cautioned, three sent off and Francisco Pinola scored Real's winner — before he too was banished.

Bottles and cushions rained onto the field; accusations of corrupt refereeing reverberated. And as the police escort massed around him, the referee perhaps reflected on a story recently told in FIFA's official newsletter.

It concerns the Buenos Aires referee, who, faced with awarding a penalty to the visitors, appealed to the crowd: "I am a good husband and father. I want to go on providing for my wife and children, so I ask if you would be pleased about a penalty?"

No answer. Except the swish of the ball hitting the net. Oh, for such decorum around the congress hall in Madrid on Saturday.

Navratilova Beats Smith by 6-2, 6-3  
WASHINGTON — Martina Navratilova ended a string of upsets by unheralded Anne Smith, defeating the 22-year-old, 6-2, 6-3 Monday night to win a professional tennis tournament here. Smith had reached the final by defeating three players ranked in the world's top 10 — Tracy Austin (No. 2), Pam Shriver (No. 7) and Sylvia Hanika (No. 6) — but was no match for Navratilova, the world's third-ranked player and the tournament's No. 2 seed.

Navratilova broke Smith's serve four times and needed just 25 minutes to take the first set. Smith, making unforced errors, appeared nervous as she reached the singles final of a major tournament for the first time in her four-year pro career.

Navratilova opened the second set with a service break; Smith then played her best game of the match to break back. But Navratilova picked up the tempo. With pinpoint ground strokes and an overpowering serve, she captured five of the next seven games to close out the match.

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## Inflation's Sweet Smell

New York Times Service

NEW YORK — Wonder what Gary Player thinks when he hears that somebody put the knock on



## Observer

## Never Say You're Sorry

By Russell Baker

NEW YORK — I make the average number of mistakes. Maybe 150 or so on a busy day. Most of them aren't terribly serious. Putting too much sugar in the coffee cup. Picking up the telephone and dialing the number of the telephone I've just picked up. You know that kind of mistake.

It doesn't hurt anything, but your own self-esteem. Since nobody notices most of them, however, they don't do much external damage and so don't create any social problems. The kind of mistake that always defeats me is the so-called "howler," which offends or damages other people and is hard to conceal.

Suppose a friend who understands electricity comes to the house and volunteers to repair your bathroom wiring and asks you to go to the fuse box and cut off the power to the bathroom circuit. You pull the fuse that looks as if it ought to be servicing the bathroom and yell upstairs that the juice is off.

A moment later, you hear a howl from the bathroom. Maybe an ambulance will be needed, maybe not. That wasn't the bathroom fuse you pulled, but the fuse to the front-porch light.

What is the proper social form for dealing with a friend who, because of your mistake, has had a terrifying brush with electrocution?

I hear a lot of people saying, "Apologize immediately." In my younger, innocent days this was my policy too, but I soon learned it did no good.

Confronting people with their pain because of my mistakes, I'd say I was terribly sorry and, nine chances out of 10, they'd say, "It doesn't do any good to say you're sorry," or, "Being sorry doesn't help one bit."

And obviously it didn't. So I quit apologizing. Instead I adopted a policy of explaining. If I heard a scream from the bathroom I rushed upstairs to explain. "That fuse box in the cellar is so badly set up that nobody could possibly locate the one fuse that controls the bathroom circuit."

Explaining didn't work either. Almost invariably, the victims of mistakes seemed offended by my careful analysis of how their disasters had come about. Instead of thanking me for explaining the cause of their pain, they responded very oddly.

"Here I am in agony and all I get from you is a lot of blather about a fuse box," they would say. "The least you can do is say you're sorry."

There was an eerie situation. If you apologized, they told you apologies were useless. If you didn't apologize, they berated you for not apologizing.

So for a while I switched to a policy of explanation followed by apology. The sequence then went as follows:

1. Howl heard from bathroom.  
2. Rush to wiring hot-wire victim with explanation: "With that messed up fuse box, impossible to find correct fuse for bathroom circuit," etc.

3. Writer's demand for apology: "Fall to the floor and say 'I'm sorry.' Least you can do is apologize."

4. Apology: "Sorry for almost electrocuting you, old friend." At this point, however, the victim reverted to the irritated social behavior he would have displayed if the apology had come ahead of the explanation, saying — snappishly — "What good does it do to say you're sorry?"

Then I discovered Gertrude Stein's dictum: Never apologize, never explain. Now when friends are screwed about the house with broken legs and severe electric shock, all I say is, "After we get you to the hospital, I'll get a professional in here to do this job right."

Attempts to wheedle an apology or explanation out of me are easily dealt with by suggesting that they would be medically harmful: "You're in no condition to think rationally now; just lie quiet until the ambulance comes."

When the confusion is cleared away, I can quietly feel rotten about my mistakes, but I haven't suffered the embarrassment of rushed having to explain. "That fuse box in the cellar is so badly set up that nobody could possibly locate the one fuse that controls the bathroom circuit."

New York Times Service

## Writer in Siberia Weighs 'Progress'

"You Must Build on Top of Old Traditions, Not Rip Them Up by the Roots"

By Serge Schmemmann

New York Times Service

IRKUTSK, U.S.S.R. — Though hymns to the development of Siberia's immense riches and rivers are sung almost daily in the Soviet press, Valentin Rasputin, a native Siberian, has become one of the Soviet Union's most popular writers with his books of the erosion of values, traditions and land before the rush of progress.

Youths who brave savage mosquitoes in the summer and metal-snapping cold in the winter to throw the Bratsk Dam across the swift Angara River — this has become the stuff of contemporary Soviet legend. But one of Rasputin's most popular novels, "Pursuing With Matryona," describes the final summer of an island village on the Angara River, Matryona, before it is flooded because of the construction of a dam.

Among the most affecting scenes in the

book is the outcry of the elderly villagers when officials from the mainland led by one Comrade Zhuk — the name means beetle in Russian — arrive to dig up the markers from the village cemetery so they will not float up when the island is submerged. The official eventually relents, but the graves of generations of Matryona's residents are doomed to be swamped by progress.

Matryona, Rasputin acknowledged, was based on Atalanka, the village he grew up in. The aging villagers whose world — a world depicted as orderly, fertile, humane and moral — is destroyed in the novel are the people he knew when he was growing up.

In the course of a long evening in a book-lined room of his spacious apartment in Irkutsk, once the brawling capital of Siberian trade in gold and fur and now a picturesque administrative center, Rasputin discussed his work.

He showed few traces of a tugging last year that left him with temporary amnesia and led to lengthy medical treatment. Rasputin, 44 years old, said four men accosted him outside his house in March, 1980, and demanded his blue jeans. When he refused, they hit him in the forehead with a pipe. He was hospitalized for weeks and underwent two operations in Moscow. The mugger was arrested and is now in jail.

The writer said he was still unable to work full-time and required considerable rest. He dismissed any suggestion that the attack was motivated by anything other than robbery.

Rasputin's skepticism about the scientific and technological advances are worth their spiritual cost has drawn some predictable criticism, including accusations that he glorifies the passive, change-resistant Russian peasant without giving equal time to "socially active" advocates of hydroelectric power and industrial development.

But he is hardly a dissident. Critics have hailed his "brilliant talent," his books have been published in several editions, he is a member in good standing of the Writers Union, and he was awarded a State Prize for Literature in 1977.

Plea for Spiritual Continuity

The high regard in which Rasputin is held reflects the favor enjoyed by a group of writers known as practitioners of "rural prose" because of their nostalgic accounts of village life, often told in peasant dialects. More than simply romanticized accounts of a simpler past, their works are a plea for maintaining a spiritual continuity with Russia's rural roots and for preserving what they consider the main source of Russia's language, literature and ethics.

Not coincidentally, Rasputin's "Matryona" derives from the Russian word for mother, and the literal submergence of this isolated

moral outpost is described in apocalyptic terms.

"Of course it's impossible to stop progress," Rasputin said, "but you must build on top of old traditions, not rip them up by the roots. You can't destroy the old completely." His round face broke into a smile and he quoted from Dostoevsky, "I know I can't achieve paradise on earth, but I can at least preach it."

Preach it he does. He bemoans the decimation of Siberia's forests. He extols the virtues of the true Siberian — the native Siberian who keeps his word, speaks his mind, shares his bread and, unlike his Russian cousin, never knew serfdom. He decries the demolition of Irkutsk's richly carved log houses to make way for concrete-slab housing.

Some of the huge hydroelectric dams sprouting across Siberia have swamped farmland, he said, and have altered the climate in whole regions. Winters have become warmer, summers cooler, and great rivers have ceased to freeze in the winter, he said, with unknown consequences for the ecology.

Even the quality of people drawn to Siberia has changed, Rasputin said. The romantic idealists of the 1950s and '60s no longer come. "Now we get the more sober types," he said, "the young man who comes here to establish his career, to win quick promotion, to ease his way into the party, to return to his Russia with confirmed credentials."

Russia, Rasputin said, is what real Siberians call European Russia. Most of those who come from Russia to work on Siberian projects have no intention of settling, he said, and they return home after completing their contracted stint. A common reason is the brutal climate. "You have to be born here to consider these winters normal," he said.

The indifference of transient workers to the wildlife and land they displace particularly bothers Rasputin. "The builder of the BAM," the Baikal-Amur Mainline, the new railroad whose builders are touted in the Soviet press as after-day pioneers — "They never feel a pinch in his heart when he cuts down a tree," he said.

The debate on the cost of progress is familiar in the West. But in the Soviet Union, faith in industrialization as the key to happiness and well-being is a tenet of the Communist system that until recently had few public dissenters. What is significant is not only that people like Rasputin have emerged to openly challenge this faith, but also that they seem to have found support in high places.

Rasputin, for one, has few illusions about turning back the tide of development in Siberia.

"Laws are passed to protect the environment, it's true," he said. "They exist in the books, and they're even applied superficially. But there's also a law of development, and it's evidently the stronger law."



Valentin Rasputin: Dams and ecology.

## PEOPLE: Rescuers Search Sahara

For Son of Thatcher

A rescue team searched the Sahara in southern Algeria for Mark Thatcher, 28, the son of Margaret Thatcher, the British prime minister. He and his co-driver, Charlotte Verney, became stranded on Friday after his Peugeot 504 broke down during the Paris to Dakar, Senegal, motor rally. Earlier reports that he had been rescued by helicopter proved erroneous and may have stemmed from the location of another lost racer, Serge Basset. . . . Former world Formula 1 racing champion Alain Prost was injured when he was thrown from a trail bike on his farm in Australia. Prost, 35, required several stitches for a head wound and was treated for a sprained ankle.

In Athens, Christina Onassis became the first woman to be elected to the board of the Union of Greek Shipowners, one of the world's richest "rich men's clubs." The success of the 32-year-old shipping heiress is due not so much to pro-feminist feelings of the club as to its voting rule, whereby 500 tons owned equals one vote. Onassis owns 46 ships, with a tonnage exceeding 5 million. The president, secretary-general and treasurer of the board are elected by the rule of one member one vote. This year's successful candidate for president was Aris Kargogeorgis.

Harry Truman and Dwight Eisenhower ranked among the best U.S. presidents and Richard Nixon and Jimmy Carter among the worst in a survey of historians and political scientists. The survey, conducted for the Chicago Tribune magazine, rated the 10 best and 10 worst presidents. President Reagan was not included in the survey. Abraham Lincoln was the choice as the best president; after him in order came George Washington, Franklin D. Roosevelt, Theodore Roosevelt, Thomas Jefferson, Woodrow Wilson, Andrew Jackson, Truman, Eisenhower and James Polk. In the worst category, Warren Harding was first, followed by Nixon, James Buchanan, Franklin Pierce, Ulysses Grant, Millard Fillmore, Andrew Johnson, Calvin Coolidge, John Tyler and Carter.

A San Francisco police lieutenant has filed suit for \$18,400 in disability pay, saying the curse of King Tut may have caused him to suffer a stroke while he was guarding the Egyptian boy king's gold funeral mask during the tour of the

exhibition of treasures from the tomb of Tutankhamen. George E. LaBrash said more than a dozen people have died who were involved with the discovery of the tomb in 1923 and in the public display of its treasures. LaBrash, who helped guard the treasures in San Francisco, suffered a stroke in September, 1979, and has asked disability pay. "Egyptians believed in a curse, pronounced by Oesir, god of the dead, on all who should disturb the dead," his attorney said, and "LaBrash suffered a stroke after having positioned himself, as his employment required, directly in front of the golden mask." The attorney asked in a brief to the court: "Was he another victim of the curse?" Dan Maguire, deputy city attorney, called the argument "farfetched," but declined further comment pending a hearing.

CBS newsman Mike Wallace, in interviewing a San Diego bank official for a "60 Minutes" segment, made a racially disparaging remark that was videotaped by the bank without his knowledge, according to The Los Angeles Times. The newspaper said Wallace taped saying that complex loan-sale contracts — agreements to buy goods on time — were "hard to read if you're reading them over the watermelon or over the tacco."

The incident occurred last March 31 when Wallace was interviewing a vice president at San Diego Federal Savings and Loan Association. The subject was low-income, poorly educated Southern Californians who faced losing their homes because they had unknowingly put them up as collateral in contracts to buy air conditioners, and then defaulted on some payments. Wallace could not immediately be reached for comment. However, Wallace was quoted in the Times as saying of the incident that "body who knows me, I'm afraid, knows that I do ethnic jokes and I do obscenity from time to time." He added that he tells Jewish jokes, and "I'm Jewish." CBS News issued a statement that said: "CBS News regrets as does Mike Wallace his offhand remark during a break in an interview. The story as it was broadcast on 60 Minutes was accurate and fair and in no way reflected that remark." CBS cameras were not running when Wallace made the remark, and Wallace told the newspaper he was under the impression that the bank's crew was supposed to stop taping when the CBS crew did.

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